

**Best value  
in ventilation.**  
**Vent-Axia**  
Royal Trade Mark  
*The fog fighter*

# FINANCIAL TIMES

No. 26,754

Thursday August 28, 1975

\*\*10p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.113; BELGIUM Fr.20; DENMARK Kr.2.75; FRANCE Fr.2.20; GERMANY DM1.70; ITALY L.300; NETHERLANDS Fl.1.50; NORWAY Kr.1.75; PORTUGAL Esc.15.00; SPAIN Pes.30; SWEDEN Kr.2.50; SWITZERLAND Fr.1.50.

For Really Discerning Drinkers  
**HIGH & DRY**  
Really Dry Gin

## NEWS SUMMARY

### Blast rocks soldiers' pub

Three people were seriously injured and many others hurt when a bomb ripped through a public house in the Surrey army town of Caterham. Police said the remains of a parcel were found at the scene and all pubs and clubs in the town had been evacuated.

The public house, the Caterham Arms, is less than 100 yards from Caterham Barracks and several members of the 1st Battalion Welsh Guards were among the injured. Another suspect parcel was found in a nearby club.

Within minutes of the blast, at 9.51 p.m., a fleet of ambulances was ferrying the injured to neighbouring hospitals. At Redhill General Hospital, a casualty department nurse said: "We are up to our necks in it."

## GENERAL

### MP free on bail of £40,000

Mr. John Stonehouse, MP for Walsall North, was freed on £40,000 bail—£10,000 in his own recognisance and two sureties of £15,000 — by Bow Street Court. He must report daily to police between 8 and 10 am, except on Sundays and notify them of his address.

It was the eighth attempt by Mr. Stonehouse to gain his freedom. His solicitor, Mr. Michael O'Dell, admitted: "We were up to our necks in it, and had no idea that bail would be granted." There will be no bar to Mr. Stonehouse functioning normally as an MP and taking part in debates when the Commons resumes, it is thought.

### Sinai troops pose problem

With almost all the issues in the public Egypt-Israel agreement resolved, Dr. Henry Kissinger, US Secretary of State, is now working out the details of a "secret" tripartite understanding, plus a separate bilateral agreement between the U.S. and Israel. The number and function of U.S. troops in Sinai has still to be agreed. Back Page

### Selassie dies

Haile Selassie's family was brought from detention to be with him when the former Emperor of Ethiopia died, aged 85, at the palace where he had been held after being overthrown in a bloodless military coup less than a year ago. Obituary Page 5

### Racing shock

Antoine, Lady Beaverbrook's ante-post favourite for the Prix de l'Arc de Triomphe in early October, has retired and will never run again. Allez France, owned by Mr. Daniel Wüdenstein, is now the hot favourite. Today's Racing, Page 2

### Angola peace bid

Angola's two most popular liberation movements are holding talks in Lisbon under strict security cover to find a common platform and achieve a formula for co-operation to lead the country to peaceful independence. Back Page

### Three dead in car

An Army bomb disposal squad detonated explosives found in a car near the bodies of a German-born Belper man and his two sons, aged six and three. A hose was connected from the exhaust to the inside of the car, parked near Ulverston in the Lake District, but the car was not booby-trapped. The boys lived with their mother at Marple, Cheshire.

### People and places

Mr. Eamon de Valera, former president of the Irish Republic, who is 92, was reported to be very weak and his condition was causing "much concern" at a Co. Dublin convalescent home.

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated.)
<b>RISES</b>
Associated Newspapers ... 94 + 6
MIM Holdings ... 208 + 16
Pancontinental ... 610 + 10
Selection Trust ... 540 + 15
<b>FALLS</b>
Assoc. Newspapers ... 90 - 10
Blazden & Noakes ... 94 - 4
British Leyland ... 32 - 5
Clay (Jas) ... 139 - 5
Glass ... 343 - 7
Heavitree ... 56 - 1
IC Gas ... 320 - 2
Ozalid ... 135 - 4
Thomson Org. ... 170 - 4
W.H. ... 520 - 2
Shell Transport ... 326 - 8
Cons. Gold Field ... 231 - 1
Conv. Gld. Fld. Aust. ... 270 - 10
De Beers Ltd. ... 318 - 4
Durban Deep ... 900 - 25
North Broken Hill ... 120 - 2
Western Holdings ... 250 - 1

### National Institute urges moves to cut unemployment

BY MICHAEL BLANDEN

Government action to boost the economy and prevent further rises in unemployment next year could be needed to ensure continued success for the pay policy, the National Institute of Economic and Social Research argues in its latest Review.

Supporting the new counter-inflation moves with the need to institute nevertheless points out rate that if unemployment increases too fast trade union support for the pay policy could turn to "outright opposition." This more expansionary policies to make it difficult for the avert the danger of a reaction Government next year to move against the new policy.

The new policy is "extremely robust and realistic" and that institute probably "severe restraint."

The current policy probably needs a more efficient monitoring system; and "before August next year it will be necessary to devise some more complex system of restraint on wage and salary increases, probably involving setting up once more some body to arbitrate on anomalies and relativities."

The experience of 1976 and 1971, the institute suggests, indicates that a high level of unemployment would not necessarily prevent a wage explosion if incomes policy were given up entirely next August.

On present trends, the Review forecasts a further sharp rise in the number out of work. This winter, the number of wholly unemployed in the UK could easily rise to 1m, on a seasonally adjusted basis, and next year to 1.1m. These figures compare with the Government to pump more £1bn. These figures compare with spending power. Into the total a just over 1m, in the August the Prime Minister has noted figures. The Review also argues that

These arguments are likely to strengthen the hand of union leaders at next week's Trade Union Congress in calling for a further jump to 1.3m. These figures compare with the Government to pump more £1bn. These figures compare with spending power. Into the total a just over 1m, in the August the Prime Minister has noted figures. The Review also argues that

### Loyalists refuse to yield on Ulster power sharing

BY GILES MERRITT

THINLY-VEILED Loyalist threats that many Ulster Protestants leaders will abandon politics for violence if the British Government rejects demands for majority rule without power-sharing last night signalled the fast approaching end of Ulster's Constitutional Convention.

Although the private inter-party talks between representatives of the Loyalist UUUC coalition and the Catholic SDLP resumed in Belfast late yesterday afternoon, it was clear that the two three-man negotiating teams had reached deadlock on the issue of power-sharing.

The Unionist coalition has refused to extend its offer of participation in powerful executive committees to membership of the Cabinet, and the SDLP has not been prepared to accept anything less.

It now remains for the inter-party negotiators to announce they have "agreed to disagree" and the 78-member Convention will probably re-assemble next Tuesday.

The confidential inter-party talks began almost three weeks ago in a deliberate attempt by both sides to bypass their more militant backbenchers inside the Convention, but there now seems little alternative to placing the issue before the full assembly.

The result of the Convention debate will inevitably be a report to Westminster passed by the 46-strong UUUC majority rejecting power-sharing in defiance of the British Govern-



Mr. Merlyn Rees

of intimidating Whitehall into accepting such a Convention recommendation. Yesterday, Mr. Ernest Baird, deputy leader of the Vanguard party, headed a delegation, which warned Secretary of State, Mr. Merlyn Rees, of Loyalist intentions.

The Chief Whip of the Vanguard party, Mr. Cecil Harvey, reportedly told the Secretary of State that there was little likelihood that the Convention would require the extra time Mr. Rees had offered only 24 hours previously. The clear

implication was that the Convention was failed and would produce its negative majority report well in advance of the November 8 deadline.

Loyalist leaders are now mounting a campaign of sabre-rattling apparently in the hope

that the overwhelming majority in the Convention.

He added that if Westminster rejected the report, this could lead to "many leading public figures having no alternative but to abandon the political scene and try to bring pressure to bear in some other way" to ensure that the obvious call of the majority in Northern Ireland was heard.

Meanwhile, Mr. Oliver Napier, leader of Ulster's centrist Alliance Party, which last week made an unsuccessful bid to mediate between the UUUC and SDLP, warned that the Province was now "on the brink of all-out violence and breakdown into civil chaos."

In BBC interview last night, Mr. Rees denied that Ulster was sliding into civil war. "There are large numbers of soldiers here. We are not abdicating responsibility," he said.

Ulster politicians had "a very grave responsibility" and he and others involved would go on trying to find a solution "to this age old problem," he said.

Referring to the report from the Convention members to Westminster, he said this would be put to the UK Parliament and then the situation would be looked at. If it failed "we could

surge in Northern imports can be expected to flow from this package.

However, the Government insists the programme must not be

Pearl  
lifts car  
premiums  
again

BY ERIC SHORT

ANOTHER motor insurer, Pearl Assurance, has been forced to increase its premium rates for private motorists for the second time within six months. The company, which insures about 300,000 motorists, is raising premiums by 17 per cent, from October 1, having lifted them by 14 per cent in June.

It warned that in future it might have to revise its rates quarterly in order to balance its motor account.

Last month a leading motor insurer, Sun Alliance and London Insurance, announced that it was increasing its motor rates from August 1 by 18 per cent, only four months after the previous revision.

Motorists renewing their policies with the Pearl after September will pay on average 33 per cent more for their insurance than those renewing before June. The company stated last night that the increase was substantially determined.

The Pearl also gave a warning that it might make rate adjustments on a quarterly basis. With inflation at such a high rate it was "inevitable" that insurers would look to frequent changes in premiums to balance the account.

The company would consider the position when the results for the whole of 1975 were available.

In addition to Sun Alliance, other leading motor insurers which have recently made substantial premium increases include Provincial Insurance where the increase was a record 30 per cent; National Insurance and Guarantee, which increased its rates by 10 per cent.; and Cornhill Insurance, up 18 per cent.

Warwicks that motor premiums would have to be revised more frequently than yearly have been made over the last few months by members of the insurance industry, most notably the outgoing chairman of the British Insurance Association, Mr. Aonghus Macdonald, in June.

Details, Page 15  
Lex, Back Page

Continued on Back Page

Editorial comment, Page 12  
See also Page 7

£1bn. boost  
for German  
economy

BY JONATHAN CARR

WARNING THAT recession is seen in isolation. It is in fact the Western world can only be the fourth consecutive year to overcome through joint efforts by Bonn in the G-10 months, the last being the West German Government today announced a DM5.75bn, £1.06bn, package last December. Beyond that a tax reform package of DM15.1bn, supplementary Budget of DM15.1bn, action made necessary through a recession-induced shortfall in tax revenue, and increase in public expenditure.

The programme is the German contribution to that series of international measures which Chancellor Helmut Schmidt hopes will at last bring an economic upswing.

Nonetheless, although the German programme is marginally larger than expected here, DM5.75bn was the latest official estimate, while for its insurance than those renewing before June. The company stated last night that the increase was substantially determined.

The Pearl also gave a warning that it might make rate adjustments on a quarterly basis. With inflation at such a high rate it was "inevitable" that insurers would look to frequent changes in premiums to balance the account.

The company would consider the position when the results for the whole of 1975 were available.

The major single provision is for expenditure of DM2.45bn by the Federal Government, the Länder and the municipalities together on communal and city infrastructure projects.

Another DM1.2bn, is to be provided by the Federal Government alone, while a further DM600m, goes to the Federal Environment Office to help create more local job opportunities.

There is also cheap credit for housing, construction and DM700m for the modernisation of up to 300,000 dwellings.

None of this goes as far as several countries—including Britain—had been hoping for.

The coalition partners have thus been pressuring the public for savings measures—but are now finding it hard to agree among themselves on a programme which will improve the

situation more than marginally.

## FEATURES

Where advancement of science may repay its cost ..... 12  
Economic viewpoint: Commodity agreements ..... 13  
The future of Wales: major airport ..... 9  
Chances of a Mexican devaluation ..... 4  
Chinese oil industry ..... 5

Labour News ..... 10  
Arts ..... 11  
Base Lending Rates ..... 20  
Letters ..... 21  
Business Oppos. ..... 22  
Company News ..... 23  
Crossword ..... 24  
Economic Indicators ..... 25  
Entertainment Guide ..... 26  
Marketing Scene ..... 27  
Farming and Raw Materials ..... 28  
Foreign Exchanges ..... 29  
FT-Accrued Indices ..... 30  
Home News ..... 31  
Int'l. Company News ..... 32  
Chinese oil industry ..... 33

For latest Share Index phone 01-246 8026

ON OTHER PAGES

10 Wall Street & Overseas Markets ..... 12  
11 Weather ..... 22  
12 World Trade News ..... 23  
13 ANNUAL STATEMENTS

Challenge Corp. ..... 24  
14 Encyclopaedia Britannica ..... 25  
G. H. Downing ..... 26  
15 Encyclopaedia Mills ..... 27  
Shaw Carpet ..... 28

16 INTERIM STATEMENTS

European Services ..... 28  
17 Today's Events ..... 29  
TV and Radio ..... 30  
20 Tiger One & N.Y.C. ..... 31

21 FAIRVIEW

Business  
with  
Australia  
or  
New Zealand?

Consult

**ANZ BANK**  
AUSTRALIA AND NEW ZEALAND  
BANKING GROUP LIMITED

71 Cornhill, London EC3V 3PR Tel: 01-623 7111

LOMBARD

# Sawing off our end of the boat

BY ANTHONY HARRIS

THERE seems to be a general rule in world affairs that the louder people talk about the need for a given course of action, and the more unanimously they agree, the less likely they are to do the things they are discussing. Thus, for example, the Smithsonian Agreement to rescue the par value system at new parities lasted about three months; the summit agreement on steps towards European Monetary Union about six weeks; and as for the common energy policy, it never even started. The reason is not the hypocrisy of world leaders (though they have their share of it) but the brute fact that in many dilemmas Adam Smith's fundamental economic law—the Law of Self-interest—is simply untrue.

Smith's great discovery was that, where there is free competition for scarce resources, then the result of the pursuit of self-interest by each competitor will in fact also coincide with the general interest. As so often with great thinkers, Smith knew some of the weaknesses of his own case much better than his followers. He recognised, for example, that competition is a natural state of affairs—that two business men could scarcely meet for the most innocent purpose without starting some conspiracy against the public welfare; and he would surely have recognised that where competition results in the elimination of most of the competitors, it becomes its own undoing. He might also realise to-day that there are certain dilemmas in which what we really want is for everyone else to pursue the general good, while we pursue our own. This dilemma results from a whole range of problems, from wage inflation to traffic congestion.

## The weakest

It is beginning to look unpleasantly likely that inflation is an issue of this kind. In general, we want it; but each particular country has its reasons to tread softly. Germany is unhappy at large and persistent public sector deficits, the U.S. is still haunted by the fear of re-newing inflation, Japan must preserve a strong balance of payments to pay for commodity imports—the explanations may differ, but in fact most countries are unwittingly following the policy which Mr. Healey has openly admitted: it would be

## TENNIS

BY JOHN BARRETT

# Quick win by Ashe

NEW YORK, August 27. IT WAS fitting that Arthur Ashe, the Wimbledon champion and president of ATP, should hit the first ball of the U.S. championships on the new green clay surface, that has replaced the traditional grass in the giant stadium at Forest Hills.

Last night's inaugural flood light match, too, was affected because Ilie Nastase, the Romanian No. 8 seed, who was due to open this new departure in championship play at 8 p.m., was involved late on Tuesday winning the doubles at Ormesby with Jimmy Connors, against Britain's Ian Lloyd and Dick Crealy of

Canada, both of which were interrupted by rain.

A slightly tense Ashe

was affected because

he had nothing to sell—who

are the things they are

discussing. Thus, for example,

the Smithsonian Agreement to

rescue the par value system at

new parities lasted about three

months; the summit agreement

on steps towards European

Monetary Union about six

weeks; and as for the common

energy policy, it never even

started. The reason is not the

hypocrisy of world leaders

(though they have their share

of it) but the brute fact that

in many dilemmas Adam Smith's

fundamental economic law—the

Law of Self-interest—is simply

true.

Smith's great discovery was

that, where there is free com-

petition for scarce resources,

then the result of the pursuit

of self-interest by each competi-

tor will in fact also coincide

with the general interest. He

might also realise to-day that

there are certain dilemmas in

which what we really want is

for everyone else to pursue the

general good, while we pursue

our own. This dilemma results

from a whole range of problems,

from wage inflation to traffic

congestion.

The orthodox, from Oxford

down to Department of Trade

civil servants, will try to kill this

instinct with logic and ridicule.

We are all in the same boat, they

will point out, and sawing off our

end will not leave us in a very

seaworthy craft. True enough—

as long as the boat is not foundering. When

that does happen, on the other

hand, the instinct to back off a

plank and use it as a personal

float is a sound one. The moment

of real danger will at least be

easy to recognise: it will come

when the finance ministers call

an urgent meeting not to dis-

cuss inflation, but to reaffirm

their devotion to the cause of

free trade.

The orthodox, from Oxford

down to Department of Trade

civil servants, will try to kill this

instinct with logic and ridicule.

We are all in the same boat, they

will point out, and sawing off our

end will not leave us in a very

seaworthy craft. True enough—

as long as the boat is not foundering. When

that does happen, on the other

hand, the instinct to back off a

plank and use it as a personal

float is a sound one. The moment

of real danger will at least be

easy to recognise: it will come

when the finance ministers call

an urgent meeting not to dis-

cuss inflation, but to reaffirm

their devotion to the cause of

free trade.

The orthodox, from Oxford

down to Department of Trade

civil servants, will try to kill this

instinct with logic and ridicule.

We are all in the same boat, they

will point out, and sawing off our

end will not leave us in a very

seaworthy craft. True enough—

as long as the boat is not foundering. When

that does happen, on the other

hand, the instinct to back off a

plank and use it as a personal

float is a sound one. The moment

of real danger will at least be

easy to recognise: it will come

when the finance ministers call

an urgent meeting not to dis-

cuss inflation, but to reaffirm

their devotion to the cause of

free trade.

The orthodox, from Oxford

down to Department of Trade

civil servants, will try to kill this

instinct with logic and ridicule.

We are all in the same boat, they

will point out, and sawing off our

end will not leave us in a very

seaworthy craft. True enough—

as long as the boat is not foundering. When

that does happen, on the other

hand, the instinct to back off a

plank and use it as a personal

float is a sound one. The moment

of real danger will at least be

easy to recognise: it will come

when the finance ministers call

an urgent meeting not to dis-

cuss inflation, but to reaffirm

their devotion to the cause of

free trade.

The orthodox, from Oxford

down to Department of Trade

civil servants, will try to kill this

instinct with logic and ridicule.

We are all in the same boat, they

will point out, and sawing off our

end will not leave us in a very

seaworthy craft. True enough—

as long as the boat is not foundering. When

that does happen, on the other

hand, the instinct to back off a

plank and use it as a personal

float is a sound one. The moment

of real danger will at least be

easy to recognise: it will come

when the finance ministers call

an urgent meeting not to dis-

cuss inflation, but to reaffirm

their devotion to the cause of

free trade.

The orthodox, from Oxford

down to Department of Trade

civil servants, will try to kill this

instinct with logic and ridicule.

We are all in the same boat, they

will point out, and sawing off our

end will not leave us in a very

seaworthy craft. True enough—

as long as the boat is not foundering. When

that does happen, on the other

hand, the instinct to back off a

plank and use it as a personal

float is a sound one. The moment

of real danger will at least be

easy to recognise: it will come

when the finance ministers call

an urgent meeting not to dis-

cuss inflation, but to reaffirm

their devotion to the cause of

free trade.

The orthodox, from Oxford

down to Department of Trade

civil servants, will try to kill this

instinct with logic and ridicule.

We are all in the same boat, they



## WORLD TRADE NEWS

**Hoechst's link with Kohjin in the balance**

TOKYO, August 27. HOECHST AG will withdraw from amendments its application to set up a joint venture chemical project with Japan's Kohjin Company, Mr. Alfred Dienst, president of Hoechst Japan, said today.

He said the future of the project, announced last week, would depend on whether, and on what terms, Kohjin was to be rehabilitated, or whether it was to be declared bankrupt.

Mr. Dienst added if the project went ahead, it may have to be with a partner other than Kohjin.

The joint venture plan called for the setting up of Hoechst Kohjin Koogyo KK, to be owned 60 per cent by Hoechst AG, 10 per cent by Hoechst Japan and 30 per cent by Kohjin.

The new firm was to construct a plant on a Kohjin site at Saeki in Japan's southernmost island of Kyushu.

Mr. Dienst said the site was a highly favourable one which Hoechst still hoped to use, but he noted Kohjin might have to sell it as part of the disposal of its assets.

Reuter

**Higher U.K. car exports in July**

Financial Times Reporter BRITAIN exports of commercial vehicles and motor components to foreign trade surplus to £158m last month, bringing the "balance" of the industry's trade to £880m, for the first seven months of the year.

Export earnings in July came to a record £260m, 50 per cent up on the same month of last year, while imports rose £20m, to £102m.

Despite the growing chorus of protests about the penetration of imported cars into the U.K. market, the value of car exports during the month, at £51.8m, was still larger than the value of imports, at £51.6m.

Commercial vehicle sales showed a dramatic 51 per cent rise to £47.7m last month, compared with July, 1974, while general vehicle imports at July fell by 13.6 per cent, to £3.2m.

The most important contribution to the overall increase came once again from the motor industry's biggest foreign exchange earner—components, parts and accessories.

Overseas sales in this category—which includes parts to be used as original equipment in foreign vehicles—were 36 per cent up, at £109.3m, while imports of similar products rose 19 per cent to £34.8m.

For the first seven months of 1975, motor industry exports totalled £1.52bn—an increase of 44 per cent—and exceeded imports by £800m.

## Row over Japanese car investment

BY OUR OWN CORRESPONDENT

SYDNEY, August 27. THE AUSTRALIAN Government and forward orders well down, has decided to go ahead with GM-H and Ford this week told plans to allow Japanese groups an inquiry that entry of the Nissan and Toyota to establish Japanese would only fragment local operations despite protests the industry and warned of mass sackings and higher prices if present import restrictions on new cars were relaxed.

The Japanese groups will join new Chrysler Australia and the Chrysler-owned Australian Industry Development Corporation in a \$100m. plant to produce four cylinder engines in South Australia.

All four partners will each have 25 per cent share. The proposal involves revamping an existing Chrysler plant and it is expected to start operations in 1978 at an annual production rate of 200,000 engines.

At present no four-cylinder engines are made in Australia. The Government originally hoped that the other major manufacturers—General Motors-Holden's and Ford—would also join the venture. GM-H looked at it but is now thinking of producing its own four-cylinder engines while Ford is expected to continue importing its requirements.

The latest plans will give Australia five major manufacturers for a market of 500,000 vehicles a year, expected to reach 600,000 a year by 1980. The unions fear that at least one manufacturer will not survive and that entry of the Japanese could result in the loss of thousands of jobs. The local industry is heading into a sharp slump with sales dropping away

### Six freighters will replace super-tanker

By James McDonald, Shipping Correspondent

THE AG Weser German shipyard and the Hapag-Lloyd line have agreed to cancel a contract for a 36,000 deadweight ton oil tanker.

Instead, AG Weser will build for Hapag-Lloyd six multi-purpose freighters, each of 16,000 deadweight tons. They are due for delivery between mid-1977 and mid-1978.

## Nigeria Far East line set up

By James Buxton

A NIGERIAN company has established a shipping line to trade between West Africa and the Far East. The line, the Nigerian Far East Line, is the first Nigerian shipping line in private hands. There is already a state-owned Nigerian shipping company.

The Nigerian Far East Line has been established by Henry Stephens Shipping Company, a branch of Chief Henry Fajeajirukun's trading company, Henry Stephens. It has taken delivery of a 10,000 ton motorship, the Siana, which is being bought from the Danish-registered East Asiatic Company (EAC). A sister ship, the Sibonga, is to be delivered next month.

The line will carry West African, principally Nigerian, agricultural produce to the Far East, mainly Singapore, Hong Kong and Japan, and bring back manufactured goods, especially Japanese cars.

EAC is a minority shareholder in the venture and will initially provide technical help in operating the line. The ships will be officered by Danes, but the seamen will be Nigerian. EAC's office in Hong Kong will be the regional office for the line in the Far East.

The price being paid for the ships is not being disclosed. They were both built in 1963/4 in Denmark. The new line has applied to become a member of the Far East-West African conference lines which will allow it some priority at the highly congested port of Lagos.

The price being paid for the ships is not being disclosed. They were both built in 1963/4 in Denmark. The new line has applied to become a member of the Far East-West African conference lines which will allow it some priority at the highly congested port of Lagos.

## U.S. group in \$15bn. Saudi bids

ATLANTA, August 27.

SAUDI ARABIA is expected to invite bids "in the next week or so" for the first of a series division of Charles T. Main. Mr. Cadell said the Saudis plan to build the electric-generation and water desalination plants in pairs so that steam required in the desalination process will be produced by the power plant.

Although the size of each pair of plants is not known yet by the U.S. group, he speculated that each pair would cost \$500m. to \$1bn. or more.

He said that "the bid documents on the first job are supposed to be out in the next few weeks or so" and that they will contain specifications and bidding and completion deadlines.

Although Prince Faisal said in Washington and "the contracts had to be let by the end of 1976 and the (entire \$15bn.) programme completed by 1980," Mr. Cadell said there is "no way that one single group (of contractors) could handle the whole \$15bn. programme in such a short span of time."

Thus, he indicated, the compilation schedule suggests that several groups will be needed to handle the work.

He also noted that Prince Faisal said the planned \$15bn. outlay covers only the power and desalination plants, so the Saudis plan to spend "another \$300m. on water, sewer and transmission lines and other support facilities. In all, it's a \$450m. programme," Mr. Cadell said.

### Sanko in shipping agreement

TOkyo, August 27.

Sanko Steamship of Japan has agreed to set up a joint shipping firm with Saudi Arabian interests.

A Sanko spokesman said the new company, Sabiba Shipping Corp., is capitalised at the equivalent of \$10m. and will have its headquarters in Jeddah.

Sanko will own 40 per cent of the new company while Saudi Arabian investors, including Prince Fahd ibn Salman and 14 importers dealing with construction materials, automobiles, lumber and meat, will own the remainder.

He added that the joint venture plans to own and operate oil tankers, freighters and bulk carriers, but will first charter foreign ships since Saudi Arabia does not have a merchant marine.

Sanko will help manage the new firm and train both land personnel and ship crews.

AP-DJ

## KOREAN LEATHER & FOOTWEAR SPECIAL SHOW

Hilton Hotel, Park Lane, London W.1.

Sept. 1st, 2nd, 1975 (9.30-12.30, 1.30-5.00)

Inquiries: KOREA TRADE CENTRE,

28 Charing X Road, London W.C.2. (Tel: 240 3192)

BRASILIA, August 27.

DEPUTY PRIME Minister Takeo Fukuda of Japan said here to-day that Japanese investment in Brazil will continue on a large scale despite Japan's economic difficulties.

Mr. Fukuda said that President Ernesto Geisel of Brazil will visit Japan next May, and possibly sign a final agreement then for a big Japanese-Brazilian aluminium-making project in the Amazon basin.

The visitor, official, in the last day of a week-long stay in Brazil, also said that his Government expects that "in the near future, we can put the Japanese economy into a phase of recuperation." AP-DJ

THE CHANCES OF A MEXICAN DEVALUATION

## AMERICAN NEWS

# Three-man panel to vet New York finances sought

NEW YORK, August 27.

BY GUY DE JONQUIERES

AN ELABORATE new scheme designed to avert the looming threat of a default by New York City has been hammered out by Governor Hugh Carey and the proposed committee, on which the majority of the seats are held by State officials.

The centrepiece of the plan is the establishment of a new three-man panel composed of the Governor, the Mayor and State Controller Arthur Levitt, which will oversee the city's finances and attempt to impose a stricter fiscal regime.

In addition to the creation of the committee, which must be approved by the state legislature, Governor Carey has indicated that he intends to ask for approval of as much as \$1bn. in fresh state aid for the city to help it meet its obligations during the next few months.

The aid would be used to finance a state purchase of short-term notes to be issued by the Municipal Assistance Corporation (Mac), the state-sponsored body set up earlier this year to raise money on the city's behalf. The notes would have to be repaid within a year through the sale of Mac bonds on the capital markets.

The reaction of the major banks to the new scheme, which will control directly the lion's share of the city's revenues—about \$8bn. annually in taxes and state and federal aid, will insure that adequate funds are set aside to service any future borrowing done by the city.

The reaction of the major companies, regarded by many economists here as an exceptionally reliable harbinger of future trends, has now been mixed steadily for five months.

Major Beame's belated and somewhat indecisive moves to reduce the city's expenditures have not impressed the investment community where growing scepticism has been expressed over his ability ever to correct the situation on his own. These doubts seem to be shared by some of Mr. Beame's own colleagues who deliberately excluded him from a meeting on the city budget last week.

It seems clear that if the new scheme is to work, it will entail the surrender by the city government.

THE index of leading indicators, which are also subject to later revision, show strong increases in business orders, in the average work week, liquid assets, stock prices and new building permits.

However, the July figures also reflected on the negative side the sharp increase in wholesale prices during the month and indicated a further decline in new plant and equipment orders.

Meanwhile in a separate report, the Labour Department revealed a 9.5 per cent increase in productivity during the second quarter, reflecting both the continued decline in hours worked and the increase in output achieved during the three months April-June. At an annual rate, productivity increased during the second quarter at 4.3 per cent.

**U.S. leading indicators up by 1.7% in July**

By Adrian Dicks

WASHINGTON, August 27. IN A FRESH demonstration of the gathering momentum of the U.S. economic recovery, the Commerce Department's index of leading indicators showed a strong 1.7 per cent. increase during July. At the same time, the Department issued a revised calculation of the June performance of the index, raising its gain during that month from 1.9 to 2.9 per cent.

The index of leading indicators, regarded by many economists here as an exceptionally reliable harbinger of future trends, has now been registered earlier, together with a sharper than expected growth in business inventories and in the rate of formation of new companies.

The July preliminary figures, which are also subject to later revision, show strong increases in business orders, in the average work week, liquid assets, stock prices and new building permits.

However, the July figures also reflected on the negative side the sharp increase in wholesale prices during the month and indicated a further decline in new plant and equipment orders.

Meanwhile in a separate report, the Labour Department revealed a 9.5 per cent increase in productivity during the second quarter, reflecting both the continued decline in hours worked and the increase in output achieved during the three months April-June. At an annual rate, productivity increased during the second quarter at 4.3 per cent.

## Venezuelan budget cut

CARACAS, August 27. THE VENEZUELAN Government will cut back its budget expenditures next year by almost \$2bn., as a result of stamping petroleum income, according to Finance Minister Hector Muriel.

Speaking after this week's cabinet meeting, the Finance Minister asserted that the 1976 federal budget will be about \$1.95bn.—or 20 per cent—less than this year's budget.

Venezuela, as the world's third largest petroleum exporter, depends heavily on income from its foreign-owned petroleum industry and the lion's share of Government income is derived from taxes and royalties from the oil industry.

The announcement of this major-budget cut, after two record years of high petroleum income, comes as the Government prepares to take full control of its oil industry, on August 29.

## Argentine Army chief resubmits resignation

BY ROBERT HINDLEY

BUENOS AIRES, August 27.

ARGENTINE Army Commander General Alberto Nuevo Laplane tendered his resignation yesterday to President María Estela Peron to try to end a squabble with five rebel Generals who accused him of meddling in their affairs.

General Nuevo Laplane, who outranked General Caceres, retired from the army to take a position in the oil industry.

The General's resignation was one of two demands made yesterday by all the eight Generals directly under Gen. Laplane. The other demand is that the new Interior Minister, Army Col. Vicente Damasco, go on the list of retired officers, was met yesterday afternoon.

Last night also, the Presidential guard, the San Martín Grenadiers, took up positions in considerable force—about 500 troops—at the Presidential villa Olivos.

THE CHANCES OF A MEXICAN DEVALUATION

# No longer unmentionable

BY ALAN RIDING, MEXICO CITY CORRESPONDENT

DEVALUATION of the Mexican peso was like a poltergeist in the payments situation, which has been slowly worsening since 1970, but has sharply deteriorated in recent months. The current account deficit jumped by no less than 119 per cent last year, from \$2.6bn. (against \$1.2bn. in 1973), and the figures so far this year are equally encouraging.

The official reaction was of course to deny all. Sr. Velazquez was assured by the Secretary of Finance, Labour and Industry, and commerce that he had not seen a devaluation but merely a passing balance of payments crisis. The peripatetic president, Sr. Luis Echeverria, sent a message from New Zealand that "in the third world that 'the dollar may be devalued, but the peso will not,' that is, the peso will remain pegged to the dollar."

Nevertheless, the subject is in the open and economists, bankers, politicians, and journalists feel free to discuss devaluation without fearing that it will become a self-fulfilling prophecy. After all, in the past, the rumours always circulated, provoking at least once a year a sudden and temporary outflow of hundreds of millions of dollars. Now, at least, the economic and political pros and cons of devaluing or floating can be examined in relative calm.

One of the criticisms made of the government is that its conservative monetary authorities missed a ready-made opportunity to float against the dollar when the dollar was floated against Western European and the Japanese currencies in August 1971. But since the peso's stability became a pillar of international confidence in Mexico during the boom years following the last devaluation in 1973 (from \$4.00 to 12.50 pesos to the dollar), it was too much to expect an overnight adjustment to float. Having missed that chance, though, the Government has now created expectations of a fixed peso-dollar parity among foreign bankers who have accepted floating currencies elsewhere.

Swiss watch fall Exports of the Swiss watch industry totalled Sw.Frs.1.44bn. for the first half of 1975, and were thus lower by 18 per cent than those for the corresponding period of last year, actual volume exports of watches and movements falling by as much as 31.6 per cent over the period from 42.6m. to 29.1m. units.

The sudden pressure on the Swiss franc, which has remained unchanged for 10.3 per cent, has led to a further burst of inflation, without stimulating exports, while not to devalue would dangerously widen the trade gap.

"Mexico is in a difficult position," one foreign banker said. "At the moment, there is no convincing argument in favour of devaluation and there is still considerable international confidence in the peso. But if the payments deficit and the debt servicing burden continue to grow rapidly, Mexico may find itself forced to devalue without being in a position to take full advantage of it."

THE FINANCIAL TIMES published daily except Saturday, Sunday and Bank Holiday. Second class postage paid at New York, N.Y. 100-004. Copyright 1975 by The Financial Times Ltd. All rights reserved.

## OVERSEAS NEWS

**Closer Japan-U.S. defence co-operation moves likely**

BY CHARLES SMITH, FAR EAST EDITOR

JAPAN AND THE U.S. will almost certainly agree to set up a "consultative committee" to discuss a "contingency plan" which is due for conclusion in fiscal year 1976, is far behind schedule, because of greater than anticipated rises in the price of defence equipment.

They will not, however, adopt a "contingency plan" for joint action in the event of a north east Asian war, as earlier suggested by some members of the Japanese Government.

The idea of contingency plan, setting out what each country would do if, for example, North Korea invaded South Korea, began to attract the Japanese after the fall of South Vietnam as a means of clarifying and solidifying the U.S. defence commitment to Southeast Asia. The idea seems to have been welcomed in Washington where Japan has sometimes been felt to be "not pulling its weight" in regional defence. However the idea has since run into obstacles on the Japanese side which appear to kill it as a practical proposition. These are:

1 — Japan's small "self-defence forces" are intended to be strictly defensive in function and it would be hard for Japan to deploy them outside the national territory as part of a joint effort with the U.S.

2 — Any suggestion that the U.S. was exercising control over the operation of the self-defence forces would be political dynamite in Japan.

3 — Japan is in no position at the moment (either politically or financially) to step up expenditure on military hardware in a way which might be required to enable it to collaborate with U.S.

TOKYO, August 27.

**Miki in Kohjin talks**

TOKYO, August 27.

PRIME MINISTER Takeo Miki, Finance Minister, Masayoshi Ohira, today discussed the economic situation arising out of the collapse of the Kohjin group, Cabinet sources said.

Mr. Miki concurred with the Finance Minister's view that both the employment situation and the budgetary shortfall were assuming serious proportions and that the supplementary national budget to be presented in October should contain measures to stimulate business activity, the sources added.

The Bank of Japan, meanwhile, said it is prepared to be more flexible on its restrictions on credit volume if necessary to prevent the failure of companies due to the difficulties of the Kohjin group.

It called on executives of banks and financial institutions through-

World Trade News Page 4

**Arab boycott lifted for 17 companies**

CAIRO, August 27.

THE ARAB BOYCOTT of Israel Office removed the names of 17 foreign companies from its blacklist today, including a number of U.S. and European multinationals, the Boycott Commissioner General said.

Mohammed Mahgoub said the names of the companies will be kept secret to protect them from Zionist pressure, especially in the U.S.

The Boycott Office is expected to remove the names of 63 other foreign companies from the list during its current closed meeting at the headquarters of the Arab League in Cairo. The ten-day meeting opened on Saturday.

The office also added the names of three companies to the blacklist. The firms are: the British ammonia firm Humphreys and Glasgow, the Swiss weaving and exporting company Comes, and the Cyprus clothing firm Christof Achilles.

AP-DJ

**Congress Party wants curbs on Indian courts**

NEW DELHI, August 27.

THE RULING Congress Party has just concluded discussions on changes to the Indian constitution that it feels are essential and is now preparing its recommendations for consideration by the Government.

According to The Statesman, a leading daily published in New Delhi and Calcutta, the dates for the next session of Parliament will be fixed as soon as the Government frames its conclusions.

In the meantime the Congress has asked states where it has formed governments to give their opinion on the constitutional changes within ten days so they can be speeded up.

The changes sought are aimed at making swift land reforms possible.

The Congress also feels that the writ to issuing powers of the courts should be curbed. Such writs can be issued by the courts to enforce rights conferred by Part Three of the Constitution covering fundamental rights.

The party is equally insistent foreign exchange reserves.

**EX-EMPEROR HAILE SELASSIE****The Lion of Judah is dead**

BY OUR OWN CORRESPONDENT

FORMER Emperor Haile Selassie has died in captivity less than a year after being overthrown in a military coup d'état. An official Government statement over Radio Ethiopia said that the 83-year-old ex-emperor died in his sleep last night from the effects of a prostate gland disorder he first suffered three months ago.

The news was on the whole received unmotionally in the capital, although some older people were seen to break down and weep in the streets. From the point of view of the military Government the ex-Emperor's death must come as a relief since it solves the problem of whether Haile Selassie should be tried.

Until shortly before his deposition last September, which followed a series of carefully managed disclosures about his manipulation of power and wealth, Haile Selassie was considered an almost god-like figure in Ethiopia.

He also obtained world-wide status as an African leader, visiting more than 60 countries in the past 25 years. One of his greatest achievements was to make Addis Ababa the headquarters of the Organisation of African Unity.

Much of what made Haile Selassie a master manipulator of men, power, wealth and political intrigue was learned around the turn of the century at the court of Emperor Menelik II, who saw in young Ras Tafari Makonnen, son of the Governor of Harrar province in the East, the stuff of greatness. By 1916, at the age of 24, Ras Tafari had learned his lessons well enough to outmaneuver all rivals, some with stronger lineal claims to the Solomonic throne that he, and became regent and heir presumptive to Empress Zauditu, daughter of Emperor Menelik.

In 1930, 14 years of stealth and cunning were rewarded when Haile Selassie was crowned Emperor. However, he had barely begun to stamp his mark on the country by introducing Ethiopia's first written constitution and a new concept of education when in 1935, Italy invaded. In 1936, despite Haile Selassie's impassioned plea to the League of Nations to come to his aid, the Italians entered Addis Ababa.

For the next five years Haile Selassie lived in Bath until in 1941 he re-entered Addis Ababa with the British forces which the Government says will be financed by borrowing from try.

ADDIS ABABA, August 27.

Discontent grew as more and more people realised the inequity of the existing system of government, finances and the judicial system. When the government tried to conceal the serious 1973 famine in the northern provinces

In all this Haile Selassie was hampered by the fact that Ethiopia had been open for only a few years to the possible benefits of European government. But, more important was the fact that he was anxious to modernise while still maintaining a system of government which supported the position of himself and a small ruling group.

In effect only a very small portion of the population really benefited from his rule, namely those who were able to obtain an education and employment in the modern sectors. Those who lived outside it—and they made up at least 80 per cent of his rule were revealed, and there was little support for him when, in September, he was taken away from his palace in an army of political stability.

A process of controlled change was thus unleashed, culminating in an attack on the entire ruling class. Attacks on the Emperor himself gradually mounted, some of the less noble aspects of his rule were revealed, and there was little support for him when, in September, he was taken away from his palace in an army of political stability.

After some days in an army mud hut, Haile Selassie was moved into the Menelik Palace in 1960, and his system of government, by which no one was allowed to try to match where he occupied a wing. If his mental powers were at last failing, it was still found necessary to change his guard very frequently: the almost magnetic power the dynamic little man always had over others had not weakened.

**Budget stresses socialism**

BY JAMES BUXTON

ETHIOPIA has taken a further step on the road to socialism with a budget for the coming 12 months which greatly increases the existing budget deficit and steps up spending on economic development.

The budget, announced a few days ago, breaks with the fiscal policy of the old regime in increasing spending far in excess of revenue. Expenditure is to be increased by 44 per cent from US\$1.3bn (£213m.) in 1974-75 to £1.33bn (£300m.) in 1975-76. The revenue is expected to rise from \$881.9m. to \$1.01bn.—leaving a gap of \$320m. Eritrea and the uncertain situation in many parts of the country.

**Governor flees from Timor**

JAKARTA, August 27.

THE GOVERNOR of Portuguese Timor evacuated the besieged Capital of Dili to-day and moved the colony's Government 20 miles to the island of Atauro.

Governor Lemos Pires and his staff were aboard one of several vessels towed from the harbour capital by the freighter Macdiill.

After the freighter dropped the Governor offshore at Atauro, it set sail for Darwin, Australia, with 722 refugees aboard, including 481 Portuguese, 240 Chinese and one Australian.

The captain of the ship radioed that mortar fire intensified today in the capital torn by a savage civil war. He reported hundreds of refugees were still awaiting ships to carry them to safety.

An Indonesian navy destroyer was reported in the vicinity of Dili harbour under orders to remove the Indonesian consul, his staff, and Indonesian refugees. Other Indonesian navy destroyers were also reported on their way.

The Indonesian ships were expected to arrive off Dili late Wednesday. Sources said they were under orders to collect refugees but to avoid any clashes with the warning factions on Portuguese Timor.

Diplomatic sources said Indonesia was still waiting for a clear invitation from Portugal to intervene and restore order on the island, and that they did not believe there were any major contingents of Indonesian troops aboard any of the ships heading for Timor.

But, they said, they believed selected paratroop units of the Indonesian army were on alert to move should the decision be taken.

UPI

Reuter adds from Lisbon:

Portugal's former Overseas Minister, António de Almeida Santos, left today to try to end the civil war raging in Timor.

Timor

**THE CHINESE OIL INDUSTRY****Guessing at the potential**

BY COLIN MACDOUGALL

ENCOURAGED by the Chinese official New China News Agency to have been 24 per cent higher this year than last, production of British producers of offshore oil equipment are about to deluge Peking with technical details of their products. Following their recent conference on the Chinese oil industry, the Sino-British Economic Council is flying more than two tons of printed information to China. Western experts agree that Peking will probably buy at least some foreign equipment for its infant offshore oil industry.

However, there is not much disagreement in the West that China has considerable oil potential. Studies of proved, probable, and possible reserves are based on the last official figures published by the Chinese in 1966. These are very out of date as the Chinese have since explored intensively and claim that many new fields have been located. Hard figures for total reserves are mainly guesswork, particularly as so little offshore work has been done so far. The offshore reserves in particular, especially in the Tiayou (Senkaku) area are believed to be very rich, though it is impossible to be certain until more drilling has taken place. So far the Chinese have drilled, and may be continuing, in the South China Sea, and last year had a (Chinese-built) rig drilling in much deeper waters off Shanghai. But so far as is known, there is no drilling yet farther west.

The U.S. study assumes that future production will continue to expand by roughly the present rate, which the Chinese claim to be about 20 per cent annually thus arriving at a figure of 225m. tons for 1980. Most British experts take a more restrained view, envisaging an annual increase of about 15 per cent, which would give 150m. tons for 1980. This seems more probable, since already there are signs that heavy investment in the oil industry has slowed up development in other sectors. Mining and steel seem to have suffered badly in the last few years.

Furthermore, for purely technical reasons it is hardly feasible, even in China, for the Chinese to refine oil (like the Japanese), but for potential exporters of technology, since the funds the Chinese have available to purchase will increase with sales of oil. The new U.S. study takes a surprisingly optimistic view of future growth. Chinese oil production in January

cannot account for the very high production figures which the Chinese claim scale them down instead.

The amounts produced obviously will govern the growth of exports. The U.S. study takes the view (and so do some British experts) that by 1980 China will be exporting about 50m. tons, mainly to Japan. Industry sources more conservatively put the figure somewhere in the 25-30m. tons bracket. An improvement of shipping, port facilities, and onshore transport, will in any case be needed.

**Production**

Much depends also on the size of China's capacity to refine, for it is presumably the basis for the amount of oil produced. So far crude production seems to be well ahead of refinery capacity (estimated at 40m.-50m. tons) but the wish to speed up output, in both agriculture and industry could produce strong pressures to refine and use the maximum at home. If production grows more slowly than predicted, exports will not necessarily get total priority.

The U.S. study assumes that future production will continue to expand by roughly the present rate, which the Chinese claim to be about 20 per cent annually thus arriving at a figure of 225m. tons for 1980. Most British experts take a more restrained view, envisaging an annual increase of about 15 per cent, which would give 150m. tons for 1980. This seems more probable, since already there are signs that heavy investment in the oil industry has slowed up development in other sectors. Mining and steel seem to have suffered badly in the last few years. Furthermore, for purely technical reasons it is hardly feasible, even in China, for the Chinese to refine oil (like the Japanese), but for potential exporters of technology, since the funds the Chinese have available to purchase will increase with sales of oil. The new U.S. study takes a surprisingly optimistic view of future growth. Chinese oil production in January

**The economy of style.**

Imagine for a minute a sports saloon which will cocoon you and your family in the lap of luxury.

Which will whisk you down autostradas at speeds of up to 111.4 mph.

Which has a typical fuel consumption of 29.2 mpg.

Which only needs 7½ hours scheduled servicing in 21,000 miles.

Which has been compared with the £7,575 plus Mercedes S Class to put it "on the same rung as the best saloon in the world."\*

Yet costs just £3,098.

Wouldn't you be interested? Then test drive the Alfetta from Alfa Romeo.

It's one of the few cars on the roads today that combines economy and style.

And isn't that, in a perfect world, what motoring in 1975 is all about?

**ALFETTA from Alfa Romeo**  
Alfa Romeo World Championship  
For Makers 1975



Duty free sales. If you are a visitor to the UK, a British Resident or member of the Forces going abroad, or a Diplomat you're eligible to purchase an Alfa Romeo free of taxes.

All prices quoted are the latest available before publication. Source: Car August 1974.

The Alfa Romeo range of cars starts with the Alfetta 'N' at £1699, the Alfetta 'L' at £1899 and the Alfetta 'G' at £2049. It continues with the Alfetta beginning at £2298 for the 1.6 and includes the Alfetta GT at £3798 going on to the Montreal at £4599.

To: Alfa Romeo (Great Britain) Ltd, Edgware Road, London NW2 6LX Tel: 01-450 8541.

Please tick my local Alfa Romeo dealer to arrange a test drive for me. My present car is:

The Alfa Romeo I'm interested in is:

Name \_\_\_\_\_

Address \_\_\_\_\_

Tel. \_\_\_\_\_

Export



## EUROPEAN NEWS

# France likely to increase reflation programme

BY ROBERT MAUTHNER

THE FRENCH Government's reflation plan, due to be adopted on September 4, is likely to be more far-reaching than originally predicted. A decision to increase the funds to be pumped into the economy from Frs.15bn. (about £1.6bn.) to about Frs.25bn. was taken at the weekly meeting of the French Cabinet to-day, according to informed sources.

The Government has been under pressure from both trade unions and employers to take more substantial stimulatory measures than it had intended, but it is clearly reluctant to admit that it has bowed to these demands. Instead, it has intimated that the complaints of some other Common Market countries such as Britain and Holland—that the West German measures approved to-day and the imminent French moves will not go far enough—are at the root of its change of heart.

Thus, the Government spokesman, M. André Rossi, revealed to-day that the Finance Ministers of the Nine had agreed at their

meeting in Venice last weekend that an average of 3 per cent. of their GNP should be devoted to refloating their economies, while making clear that not all member countries were currently in a position to do so. In the case of France, however, this would amount to about Frs.25bn. to Frs.26bn.

Although he declined to give anything but the sparsest details of the recovery plan, M. Rossi said that the ministers agreed today on the need to create up to 100,000 new jobs in public works. With unemployment already nearing the 600,000 mark and 600,000 school-leavers coming on to the market next month, the Government is particularly anxious to take measures which will have a quick effect. Housing and major infrastructure projects such as roads and railways are the areas expected to benefit most from the package.

A boost will also probably be given to consumer demand through the easing of hire purchase terms and companies may a negative attitude.

## German machine tool orders fall

BY GUY HAWTHORN

WEST GERMAN machine tool manufacturers report a heavy fall in orders since the expiry of the Government's investment incentives at the end of June. Their trade association has announced that domestic orders in July were about 38 per cent. below the previous month's level.

However, the rate of home orders remained well above the May volume. The final month of the investment incentive scheme produced a healthy 128 per cent. increase in orders compared with May—record results, according to the Verein Deutscher Maschinenbau-Anstalten.

The overall July order position, however, remained 2 per

cent. below the month last year. Export orders have been steadily declining and the July overseas order rate was 7 per cent. lower than June.

On a price-adjusted basis, domestic orders last month stood 26 per cent. above July 1974, while export orders were off a real 23 per cent. When exports are included, the July 1975 decline against the previous month was 27 per cent.

Machine tool manufacturers generally remain despondent. While prospects of further short-time working appear to have receded, there has been an increase in the number of companies expecting a worsening in the domestic orders position.

## Austrian output down

BY PAUL LENGYI

AUSTRIAN industrial output in consumer goods, down 16.4 per

cent. in the same month last year and there is no sign of an early upswing, according to the latest figures released by the Central Office of Statistics. Excluding the energy factor, the year-to-year fall in June was 13.8 per cent. The greatest setback was in

the month on a year-to-year basis. Order books also deteriorated. Overall industrial orders in hand were nominally 4.8 per cent. higher on June last year due to the boom in machinery and heavy engineering, but excluding these branches the overall order-book showed a fall of 14.5 per cent. on a year-to-year basis.

## BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

### COUNTRY HOUSE

set in 250 acres  
with benefit of planning consent for construction of  
18-HOLE GOLF COURSE

Clubhouse, Restaurant  
and wide range of leisure activities.

Situate in a large catchment area

### ON SOUTH COAST

SEEKS FINANCE/PARTICIPATION/SALE  
Write Box E.6369, Financial Times,  
10, Cannon Street, EC4P 4BY.

### SAUDI ARABIA

We are a well established concern in Saudi Arabia specializing in the importation/distribution of:

- \* ALL TYPES OF TEXTILES (Polyester, Cotton, Worsted, etc.)
- \* CANNED FOODSTUFFS AND DRINKS
- \* ALL TYPES OF BUILDING MATERIALS AND ELECTRICAL MATERIALS
- \* CAR TIRES AND BATTERIES

We shall be delighted to receive offers/proposals from interested manufacturers together with catalogues and details—one of the directors is at present in London and available to discuss business possibilities personally.

Write Box E.6360, Financial Times, 10, Cannon Street, EC4P 4BY.

### NORTH WEST INVESTMENT COMPANY

looking to acquire substantial private companies which can benefit from an infusion of capital and/or management.

Write Box E.6353, Financial Times, 10, Cannon Street, EC4P 4BY.

### ATTENTION ALL EXPORTERS TO AFRICA & MIDDLE EAST

Twice weekly air charter service to 38 major African countries and Contra countries.

Bookings now being accepted for overland service to Nigeria, Rhodesia, South Africa, Zaire, Libya, Egypt, Turkey, Iran, Pakistan, Telephone Fazenda (0734) 51343 or Telex 45693.

EXPERIENCED EXECUTIVE having recently sold his business interests, which included a Department store, a chain of restaurants and a profitable concern. Capital available. Write Box E.6353, Financial Times, 10, Cannon Street, EC4P 4BY.

FINANCE AVAILABLE for participation in oil exploration. Write Box E.6347, Financial Times, 10, Cannon Street, EC4P 4BY.

**CORPORATION LOANS**

**PETERBOROUGH CITY BONDS**

MIN. £1,000—2 yrs. 12%

MIN. £1,000—3.5 yrs. 12½%

City Treasurer, Town Hall, Peterborough PE1 1HQ.

Tel. 0733 63141 Ext. 101

**CLUBS**

THE CASTLE—Your discreet venue for

private meetings, banquets, parties, dances, etc.

No membership required.

For out-of-town or overseas bookings, call

Duke of York Street, S.W.1.

DETAILS AND CONDITIONS AVAILABLE FROM ROSE & COMPANY, Accountants & Agents, by appointment to the Liquidator & M. R. G. G. U.D.T., 144-158 London Road, West Croydon CR9 1LS. Tel. 511881 123/5.

REASALE WEEKLY is Europe's No. 1

magazine of retailing and machinery.

Price 25p. To-day for year

free copy.

PARIS, August 27.

## Plea for economic crisis pact in Italy

By Rupert Cornwell

ROME, August 27.—SIGNOR UGO La Malfa, Italy's Deputy Premier and leader of the Republicans, junior partners in the present coalition, has warned bluntly that only a full-scale understanding between Government, political parties and the unions can save Italy from an increasingly desperate economic crisis this autumn.

In an open letter to the prime Minister, Sig. Aldo Moro, the veteran Republican leader, steer clear of the factional infighting which currently bedevils the ruling Christian Democrats. Instead he urges joint action "to seize what is probably the last chance to save the country from a crisis that inevitably will become deeper and harder to control."

M. Giscard d'Estaing never expected the Opposition parties to accept his invitation. But, in making the offer, he is hoping to persuade public opinion that he is prepared to discuss constructively with the Opposition matters of national importance, while the latter merely adopts

## Scientific cordiality hasn't reached the Soviet censor

BY DAVID FISHLOCK, SCIENCE EDITOR

THE CURRENT cordiality of U.S.-Soviet scientific relations, which climaxed in the Apollo-Soyuz space docking experiment last month, apparently has not filtered down to the Soviet censors in their treatment of the U.S. scientific Press.

The practice of which the dissident Russian biologist Dr. Zhores Medvedev, now resident in the UK, complained four years ago, namely that highly reputable Western scientific journals such as Nature and Science were being heavily

censored before being photocopied and distributed in the USSR, still continues.

In 1973, the American Association for the Advancement of Science was asked by the Russians' newly-formed Universal Copyright Convention, for permission to reproduce about 900 copies of its weekly journal.

The journal reproduces "before" and "after" illustrations of the contents page of its March 14, 1975 issue, from which a letter about a Jewish scientist in the Soviet Union

and two news articles—one on nuclear weapons and the other on the financial problems of two U.S. universities, Harvard and MIT—were excised.

Science comments on the problems the censors seem to have had in making excisions, and on their efforts to disguise their handbook, for example by numbering advertisement pages that were un-numbered in the original edition. They also prefer to delete whole pages of text, rather than leave tell-tale columns of white space, even if this leads to anomalies in the numbering of pages.

## Anti-Goncalves campaign appears to be fountaining

BY JANE BERGEROL

AS THE COMMUNIST Party and six extreme left organisations launched thousands of their supporters into Lisbon streets to-night in a massive demonstration of backing for a revolutionary front and for Communist sympathising Prime Minister Vasco Goncalves, attempts by armed forces dissidents and by Socialists and Popular Democrats to sack the General appeared once again to be fountaining.

The remedies urged by Sig. La Malfa, just a few weeks before bargaining started over new contracts for major industries, are classical and depressingly familiar: a moderation of wage demands, steps to put right the "disastrous finances" of Italian public services, and a halt to encroaching State control on the economy.

Meanwhile, a Lisbon afternoon paper suggested the two-month political crisis could be solved to-morrow by the substitution of General Goncalves as Prime Minister by Admiral Pinheiro de Azevedo, currently Deputy President, a modern figure, not closely identified with the dissident anti-officers led by Major Melo Antunes, for his appointment to appear an outright victory for this group.

The Diario de Lisboa suggested General Goncalves might be made chief of state of the armed forces instead, and that subsequent Government could be pledged to follow the current Government's programme.

The Socialist Party warned

while the Popular Democratic Party (PPD) called for vigilance in defence of democracy. In the Constituent Assembly, which continues to meet despite the months' old political crisis, deputies have got around to debating fundamental constitutional liberties—but to-day's session got off to a sleepy start with Communist deputies mainly absent presumably in preparation for to-night's demonstration.

Socialists are holding a rally against Goncalves in the northern city of Oporto tonight, little more than a week after Dr. Alvaro Cunhal, the Communist leader had to cancel an

appearance there following road-blocks and threats of attacks against him by anti-Communist officers.

These have again been active to-day, and succeeded in assaulting the Leiria Communist Party offices after three days of rioting. Socialist Party sources are convinced the now daily assaults on Communist local headquarters by armed activists and are becoming fearful they may be the next targets.

More complications of an already confused and tense political scene came early this morning when Copocon security forces occupied headquarters of the Armed Forces Movement's Fifth Division. The division, responsible for AFM civic education programmes, and their part

dominated for the past few months by young pro-Communist officers, was unceremoniously closed down yesterday by order of the Revolutionary Council pending its reorganisation. In protest, Fifth Division officers held meetings last night while others went to the Presidency to demand explanations.

Paradoxically, although support for the dissidents in the country appears to grow stronger every day—and to-day armed forces officers in Madeira warned the island might try a unilateral declaration of independence if the current Goncalves government remains in power—their chances of winning a majority within the AFM seems to be waning with every day that passes without decisive action on education.

Newspapers face penalties ranging up to three-months' closure for "defending" Communist, anarchist or separatist ideologies.

According to legal sources, the law is very loosely worded in order to permit wide discretionary powers of interpretation, and at least two newspaper editors withdrew articles from this morning's editions for fear of prosecution.

Members of Left-wing political organisations believe the law will also be used to counter the activities of those groups who have never countenanced the use of force and aim merely for the establishment of a democracy in Spain.

The nature of the law is typified by the section dictating prison sentences of at least 20 years for defendants convicted of sheltering terrorists, acting as messengers for them, having explosives in their possession, or making hoax bomb threats.

Jail terms of up to 12 years are provided for anyone publicly defending or "stimulating" the philosophies of illegal organisations, for suggesting that violence might be used as a form of political action or attempting to justify any terrorist act.

Extra police measures have been taken in an attempt to minimise the threat of attacks by the Basque separatist group ETA on the eve of the Bureau's court-martial of two men accused of murdering a Guardia Civil officer.

A court-martial in Barcelona late last night sentenced a journalist to two-years' jail for insulting the armed forces in an article that suggested that immediately after the Civil War widows of army officers had owned flats that were used for prostitution. The prosecutors asked for a three-year sentence.

This afternoon, the second chamber of Dutch Parliament voted with a large majority against the controversial Dutch inland navigation Bill. The decision to ban the Association for the Birth of Corsica (ARC) was taken at the weekly Cabinet meeting during which President Giscard d'Estaing promised that the 50 separatists who managed to escape into the mountainous region in the centre of the island after the incident.

Meanwhile, the already outlawed Breton Liberation Front, to-day claimed responsibility for the bomb explosions in Rennes yesterday at the homes of two French parliamentarians.

The President gave an undertaking, however, that the Government would do everything in its power to co-operate with "regionalists of good faith" in Corsica, a phrase generally thought to cover those striving for greater regional autonomy for the island without resorting to violence or wanting to undermine national unity.

To-day's move, although drastic, is not the first time in recent memory that the Government has banned separation movements. After a series of bomb explosions in Corsica and Brittany, the late President Pompidou's Government banned another Corsican, a Basque and two Breton separatist movements in January 1974. But the bans have had little effect in practice, since the members of the outlawed movements merely have to change the name of their organisation to continue their activities.

DUTCH BLOCKADE TO CONTINUE

BY MICHAEL VAN OS

THE SEVERAL thousand demonstrating Dutch inland

boatmen who have paralysed inland and international waterways and some ports for three days against the controversial Dutch inland navigation Bill to-night to continue their action for the time being despite to-day's rejection by Parliament in The Hague of the controversial Inland Navigation Bill. The skippers, who are still reviewing the situation, were not however expected to persevere in their action very long.

In Belgium, where there have been similar demonstrations by inland boatmen, in their case for improved conditions, blockades were expected to end to-night. A tentative agreement between the Belgian skippers and the Government in Brussels was expected to be approved by

Friday, when the Dutch Government had warned that police and the navy would break the blockade if it did not end voluntarily. They repeated this morning that they would act with force if necessary, if the vessels did not withdraw after the Parliamentary decision on the Inland Navigation Bill.

Stressed repeatedly it would continue the blockades if parliament approved Dr. van Hulzen's proposal, is now studying the new situation. They are still waiting to hear the Government's reply to a package of other demands.

It was at first felt that they were unlikely to continue the blockade after the defeated State Secretary had pledged to Parliament he would set up a commission to study alternative measures open to the number of Dutch inland boatmen.

Last night, the Dutch Government had warned that police and the navy would break the blockade if it did not end voluntarily. They repeated this morning that they would act with force if necessary, if the vessels did not withdraw after the Parliamentary decision on the Inland Navigation Bill.

The Romanian Press stressed to-day that political, economic, scientific and cultural relations between the two countries have been continuously expanding. Romanian exports to Turkey, for example, doubled last year on £15m. against imports of £27.5m.

Meanwhile, it was announced in Sofia that Bulgarian Foreign Minister Peter Mladenov will pay a four-day official visit to Turkey next week.

## International Management Consultancy

We, a firm of International Management Consultants with offices in the U.K., Europe and North America are looking to expand our United Kingdom based operations through an association with a reputable U.K. consulting organization.

If your organization is looking for international assignments with multinational corporations, and can generate consulting assignments in the U.K. and/or Overseas, we would like to hear from you.

Please direct all enquiries to Box E.6148, Financial Times, 10, Cannon Street, EC4P 4BY.

## HOME NEWS

# OECD States' foreign trade deficit disappears

BY MICHAEL BLANDEN

**THE SEVERE** deficit in foreign financing of the imports of the advanced countries developing countries other than who are members of the Organisation for Economic Co-operation and Development appears to have become increasingly restrictive as the purchasing power of their reserves has been eliminated, but recovery in total world trade is likely to be delayed until next year.

Looking ahead to trade developments in the next year or so, the National Institute of Economic and Social Research predicts that the volume of world trade in manufactured goods will be 9 to 10 per cent down this year compared with last year. The reduction in total trade may be as much as 12 per cent.

The recovery should begin next year, with the rapid growth of the oil producers' imports helping to offset the rise both in total trade and in manufactured goods is put by the institute at no more than about 2 per cent, though the increases between the fourth quarters of this year and next year would be more like 5 or 6 per cent, for total trade and rather greater for manu-

factures. One of the main problems, the institute says, is likely to be the

OECD estimates suggested that member countries suffered a huge visible trade deficit running at an annual rate of some \$26bn. in each half of last year because of the rise in oil prices. Preliminary figures for the second quarter and fuller figures for the first suggested that this had been eliminated.

Its disappearance "is due partly to the recession in member countries and partly to an extremely rapid rise in the value of their exports to the rest of the world."

The volume of oil countries' imports jumped by nearly 50 per cent in 1974, but now "seems to be slowing to a rate of rise of perhaps 25 per cent a year."

Even so, oil producers' imports now accounted for about 7 per cent of the total, and the rate of increase was enough on its own to add about 2 per cent a year to the increase in world trade.

## Energy consumption falls 6% in June

BY ADRIAN HAMILTON

ALL MAIN sectors of the energy market suffered falls in demand during June, compared to last year, according to the latest figures on energy trends published yesterday by the Department of Energy.

Overall inland consumption of energy fell by over 6 per cent in the month and included a drop in sales, for the first time, by the gas industry.

The biggest fall was experienced by oil. Total deliveries of petroleum products during June at 5.7m. tons, was down by over 9 per cent. In June of last year, and at 4.2m. tons, were down a similar percentage in the first half of the year as a whole.

The picture was also disappointing in the coal sector, where more up-to-date figures for July show a fall on the year of 3.5 per cent, in output at the seasonally adjusted figure of 9.5m. tons while coal consumption fell even more dramatically by more than 10 per cent in July compared with the same month last year.

Deep-mined output during the month at 7.9m. tons, was at its lowest level for nearly a year, save particularly in the use after discounting the effect of electricity.

## Benn gives permission for open cast mine

BY OUR OWN CORRESPONDENT

THE ENERGY Secretary, Mr. Anthony Wedgwood Benn, has given the National Coal Board permission to begin open cast mining on a 2,000 acre site at Butterwell, near Murphett in Northumberland.

The site, with a yield of 12m. tons of coal worth £195m., will be the biggest open cast development in Britain. Work is to begin immediately. 1,500 men removing the top soil. Coal mining will begin next year and last about 10 years.

Mr. Benn's decision comes after an eight-year campaign by the Coal Board, which has twice had its application rejected by Ministers. The latest public inquiry, the third, took place in March.

**Opposition** There was fierce opposition from local councils and the National Farmers Union, who said that £47m. of food would be lost.

Mr. Robert Sissons, the environmental inspector, said that the environ-

mental objections were substantial and the mine "should be contemplated only if there is no alternative."

Mr. Wedgwood Benn said:

"The needs of the nation for this extra open cast coal over the next 10 years are clear enough to justify approval."

He ordered that extra environmental conditions be placed on the Coal Board.

Mr. Don Davis, managing director of the open cast executive, welcomed the decision.

"Butterley is vital to Coal Board plans to increase open cast output to 15m. tons a year."

Every effort will be made to minimise disturbance."

The Coal Board has given assurances that the land will be restored for agricultural use after mining, but Mr. Bill Richardson, Northumberland chairman of the National Farmers Union, said yesterday that the decision would bring "the rape of a beautiful piece of countryside for the sake of cheap fuel."

## Coal Board to increase jobs and output-Ezra

BY STEWART DALSY

SIR DEREK EZRA, the National Coal Board chairman, yesterday painted an expansionist picture of the Board's activities for the immediate future. He said at of course, home-produced North energy and every million tons that are mined save the nation's hard-pressed balance of payments no less than £25m. in oil imports."

"More coal face capacity is being provided; compared with 750 coal faces operating in June 763 are planned for September—and efforts are being made to phase out low-output faces and replace them with bigger production units."

At a time of concern over the shortage of jobs for school leavers, Sir Derek emphasised that the Board's recruitment programme, particularly of young people, was going ahead.

"So far this financial year we have recruited as many school leavers and teenagers (a total of 2,000) as a year ago. Within the next month or so the Board expects to be recruiting nearly 4,000 more school leavers."

Sir Derek said: "The extent of employment in the coal industry is crucially important to the nation, particularly in this period of high and rising unemployment."

He emphasised the contribution that coal made to the country's energy needs. "The team of people in the mining December, 1974.

## Burton to go on short time

BY RHYD DAVID

**THE BURTON GROUP** is to put some of its men tailoring factories on short-time working because of a sharp fall in demand.

The group's Newcastle subsidiary, Jackson The Tailor, said yesterday that a one-week-in-four lay-off scheme was to be introduced at factories in Sunderland and Gateshead employing a total of 1,000 people in an attempt to avoid permanent redundancies.

Negotiations are taking place with union officials over introduction of reduced working at other group factories supplying Burton outlets, employing a further 6,000 people.

Demand for clothing has

held up well for much of the past year, but some tailors have reported a marked slackening over the past few months in particular.

Mr. Gerry Slater, Burton group company secretary, said that there was evidence that consumers were buying fewer major clothing items such as suits, and this had had a substantial effect on made-to-measure tailoring, still the main element in the Burton and Jackson retail business.

Burton's move is one of a number in the clothing industry in the past month to bring production more closely in line with demand.

N. Coral of Leicester said

two weeks ago that it would close three plants, with loss of 500 jobs, because of a drop in demand from major customers, and of import competition. A total of 370 jobs will go with closure by Courtaulds of a knitwear factory at Heanor, Derbyshire.

Among other closures, the Cooperative Wholesale Society shut its clothing factory at Pelaw, Co. Durham, on September 18 with loss of 200 jobs. Brearford Nylonos plans a one-week-in-four lay-off scheme for 900 workers at its Cramlington, Northumberland, household textiles plant.

In another sector of the

textile industry, Courtaulds has decided to recall 1,000 workers laid off at its Skelmanthorpe weaving plant, Lancs., closed a week ago.

• Liverpool Education Committee yesterday launched free post-school courses to aid some of the 8,500 youngsters out of work in the city—two out of every three 16-year-olds.

• Nottinghamshire County Council is considering a plan to help combat unemployment by building two large factories and offering sub-units to small industries. The council would offer a subsidised rent for the first two years.

## Automatic progress by science 'tragic myth,' says Lovell

BY DAVID FISHLOCK, SCIENCE EDITOR

CONFUSION IN people's minds about the motives of scientists could deepen still further

No longer did he believe that science was neutral in its impact upon society. Its deepest pursuits were inextricably intertwined with human purpose and existence.

Scientists had deluded themselves into believing that only through science would people find true understanding about nature and the universe, he said.

They had persuaded society to support them in the belief that their discoveries would inevitably be of practical benefit.

"The simple belief in automatic material progress by means of scientific discovery and application is a tragic myth of man's technical achievement which will surely lead to a more decisive assessment of our place in the universe."

These latest were the two Russian spacecraft destined to reach Venus in October, and the two U.S. spacecraft expected to reach Mars next year, the primary object of which would be the search for life on the two planets.

It was a "sad and ironical reflection" that they had been brought to this stage by the use of devices designed to destroy mankind. Neither in the U.S. nor in the USSR was it peaceful endeavour that gave man the power to launch scientific instruments into space, and it served no purpose to imagine that the space activities of the two countries to-day were innocent of military interests.

Two-thirds of U.S. payloads placed in orbit were under the control of the Department of Defense, and of 834 space missions launched by the USSR, 516 were for military activities. Prof. Lovell said.

Where advancement is

repay cost Page 12

## Commons catering loss

is £73,041

By Our Lobby Correspondent

THE CATERING sub-committee of the House of Commons, already under attack for ordering

china from West Germany,

was further embarrassed yesterday by having to report mounting losses from its refreshment department.

Last month the Government

rejected Sir Alan's criticism of

Mr. Anthony Wedgwood Benn,

then Industry Secretary, for

statements which created "undue

confidence" in the security of

the holiday tour company.

In his letter to the UCS

liquidity, Sir Alan said he was

precluded from investigating

the UCS affair offered an important

opportunity to establish through

the courts, the degree of Govern-

ment responsibility. The Govern-

ment had upset an established

set of commercial rules through

its action under Section 332 (1) of

the 1948 Companies Act, which

dealt with "intent to defraud."

When legal advice has been given

on this, they will have to decide

whether it is worth spending an

estimated £25,000-£50,000 in argu-

ment in a case in Scotland's Court of

Session.

Mr. Smith is empowered to

authorise the use of funds, amounting to £14m. held against

the claims of first secured credi-

tors. In practice, however, both

he and the court would wish to

have the approval of the first

secured creditors — in this in-

stance three Scottish clearing

banks and the NatWest — to use

the funds for such a test case.

The MP who raised the matter with the Ombudsman, Mr. Alex

Fletcher (Con., Edinburgh, North) said yesterday that Sir Alan Marre, the Parliamentary Com-

misioner (Ombudsman), had de-

cided not to investigate the

claim that the Government's

involvement in the finan-

cial affairs of UCS obliged it to

meet the company's debts.

Clearing banks

Mr. Robert C. Smith, the liqui-

dator, and the creditors com-

mittee have sought to raise

objectionable Section 332 (1) of

the 1948 Companies Act, which

deals with "intent to defraud."

When legal advice has been given

on this, they will have to decide

whether it is worth spending an

estimated £25,000-£50,000 in argu-

ment in a case in Scotland's Court of

Session.

Mr. Smith is empowered to

authorise the use of funds, amounting to £14m. held against

the claims of first secured credi-

tors. In practice, however, both

he and the court would wish to

have the approval of the first

secured creditors — in this in-

stance three Scottish clearing

banks and the NatWest — to use

the funds for such a test case.

The MP who raised the matter with the Ombudsman, Mr. Alex

Fletcher (Con., Edinburgh, North) said yesterday that Sir Alan Marre, the Parliamentary Com-

misioner (Ombudsman), had de-

cided not to investigate the

claim that the Government's

involvement in the finan-

cial affairs of UCS obliged

# ACCOUNTANCY APPOINTMENTS

## European Internal Auditor £7,000

Syntex Corporation is one of the world's leading pharmaceutical companies. Founded in the mid-1940's, the corporation has sustained an impressive rate of growth by combining the research skills of some of the world's foremost scientists with a flair and business acumen in finance, marketing and sales management.

Reporting to the Manager, Corporate Audit Services (based in California), the European Internal Auditor will have audit responsibility for all Syntex operations throughout continental Europe, the UK, Eire and Africa. In addition to performing internal audits, producing meaningful reports and recommendations, his duties will include special projects in the financial and EDP functions.

The ideal base of operations will be South East England, probably in Woking. However, if the successful candidate is presently resident on the Continent, then Belgium could be an

alternative location. It is expected that more than 50% of his time in the first year will be spent in travel away from base. Candidates should be fully qualified accountants, either CA or ACCA, and must be able to point to at least three years' high-level audit exposure.

Experience of management accounting in an EDP applications environment and an ability to understand European accounting disciplines will be essential. The successful candidate must speak good French and Spanish and a knowledge of German would be a distinct advantage.

Salary is negotiable around £7,000 with additional benefits well in line with those expected of an international corporation.

Please write or telephone for an application form to:

A. A. Jarrett, Personnel Manager,  
Syntex Pharmaceuticals Ltd.,  
St. Ives House, St. Ives Road,  
Maidenhead, Berkshire.  
Tel: Maidenhead 33191.

**SYNTEX** is the sum of its people



**Mervyn Hughes Group**

58 St. Mary Axe, London, EC3A 8AR

Management Recruitment Consultants



01-283 0037  
(24 hours)

### Planning Analyst

Negotiable up to £8,500

Central London

A major British company manufacturing and marketing internationally a wide range of consumer products has a vacancy in its active corporate planning team due to promotion.

Candidates will be Chartered Accountants, preferably with a degree, ideally about 32 with 3-5 years experience in an international company. Experience and appreciation of the use and capabilities of computers is essential, and candidates should be familiar with the daily usage of terminals. This appointment offers first class experience of the corporate planning function at group level and career prospects are exceptional. It is envisaged that applicants will be currently earning around £6,000. Fringe benefits are excellent.

Applications in confidence reference 55831 to B. L. Taylor

INDUSTRY
TRADE

## ACCOUNTANTS

A wealth of experience in government

Qualified Accountants are now needed in London in a vital area of government administration. The Accountancy Services Division provides professional expertise to four separate Government Departments - Industry, Trade, Prices and Consumer Protection, and Energy. In many cases the recommendations and information provided are crucial to decision-taking at the highest level. You will be expected to bring experience and judgement to a variety of key government activities ranging from the North Sea oil and gas operations to the provisions of the Prices Code, from the appraisal of an individual company's viability to the negotiating, in Brussels, of a code of EC Companies' Accounting Law.

In fact you will be occupying a position of genuine influence with a breadth of professional opportunity and scope few other employers could offer.

Salaries reflect the importance of the job you will be doing and can be up to £6,000 to start and after two years you could be in line for promotion to Chief Accountant and a salary rising to over £7,500.

There is also a vacancy in the regional office in Wigan this year.

You must be a Chartered, Certified, Cost and Management, or Public Finance Accountant with a full, up-to-date commercial awareness. Appointment are permanent and can be permanent, for a fixed period, or in appropriate cases on secondment terms.

For further details and an application form write to Civil Service Commission, Almon Link, Basingstoke, Hants, RG21 8JB, or telephone Basingstoke 102501 68551 (answering service operates outside office hours or London 01-839 1992 (24 hour answering service).

Please quote ref. G181590/8

PRICES
ENERGY

## GENERAL APPOINTMENTS

### LAND AUTHORITY FOR WALES Chief Executive (Designate) and Senior Staff

Applications are invited from persons with experience in senior management, for key appointments to the new Land Authority for Wales.

The Authority is being established by the Secretary of State for Wales under the Community Land Bill now before Parliament. Its task will be the acquisition, management and disposal, on behalf of the community, of development land throughout Wales. Initial appointments will be on a shadow basis. The Authority will come into existence when the Bill receives Royal Assent. It should begin to function early in 1976. The first task of the officials now to be appointed will be to create the Land Authority organisation. The Authority will not be a Crown body.

Salaries will be based on Civil Service scales and will be as shown against the individual post in the details given below. The posts are permanent and pensionable. Applications for other appointments will be advertised shortly.

#### CHIEF EXECUTIVE (£12,000)

The Chief Executive will be primarily responsible for leadership and co-ordination. He will be the main link between the Authority and its officers and will be in charge of its day to day operations. The task will be a challenging and exacting one and the person appointed will need to possess considerable managerial and co-ordinating ability, preferably in the property field. A professional qualification in a discipline associated with land use or property management would be an advantage but is not essential.

#### DIRECTOR OF LAND MANAGEMENT AND DEPUTY CHIEF EXECUTIVE (£11,670)

The holder of this post will be responsible for the processes of acquiring and disposing of development land and for managing land in the Authority's estate. A professional qualification in a discipline associated with

#### DIRECTOR OF LEGAL SERVICES (£8,650 to £11,000)

local authorities, day to day estate management, planning applications, civil engineering and other contracts and litigation. He will require wide knowledge of the legal aspects of land transactions.

#### DIRECTOR OF FINANCE AND ADMINISTRATION (£8,650 to £11,000)

The Director will be responsible for the recruitment, training and deployment of the Authority's staff; their internal management including the provision of office accommodation; and for the Authority's finances and accounting arrangements. He will need a wide range of managerial skills with particular stress on financial procedures and staff management. A qualification in accountancy or personnel management would be an advantage.

Further information, more detailed job descriptions and application forms can be obtained from:—Norma Price, Land Authority for Wales, Staff Recruitment Board, 7th Floor, Churchill House, Churchill Way, Cardiff, CF1 4SY

The closing date for the receipt of completed application forms is 28 September 1975. It is expected that short-listed candidates will be interviewed during October.

#### UNIT TRUST

Management Company requires an Assistant to the Company Secretary. Applicants should have a sound knowledge of Book Keeping, Investment records and experience in the Valuation of Securities. Salary Negotiable. Telephone Mr. Morris 588 6280.

**LONDON STOCKBROKERS**  
Require a  
**JUNIOR DEALER  
OR A BLUE-BUTTON**  
Seeking immediate authorisation  
Please reply in strict confidence  
to Box A.5197, Financial Times,  
10 Cannon Street, EC4P 4BY.

**OVERSEAS WORK** We can help you to find permanent or temporary positions abroad. Write for free information, Personnel Recruitment (A.H.), 80 Queen'sway, London NW1.

**DOCUMENTATION CLERKS** with shipping, general, permanent, or temporary, experience. £3,000-£4,000 p.a. plus charges. Applications: 01-836 2377.

## ASSISTANT MANAGER Administration £5,000 p.a.

Our clients are a London-based international organisation with extensive involvement in Britain's fastest growing industry, the production of North Sea Oil. We have been retained to advise on the appointment of a young professional with the potential to undertake managerial responsibility for accounting and staff administration functions of a division of the organisation, after familiarisation with the Company's activities in six to twelve months.

A strong financial accounting/audit background in industry or the profession is essential and candidates must have held responsibility in administration fields such as O & M, Personnel or Office Management. Equally important are the abilities to create efficient departments and systems to serve the Company's operational development and to achieve results by effective communication at all levels in a profit-orientated and flexible organisation.

The successful applicant will be aged 25-35 and free to travel at short notice in Western Europe. Salary will be negotiable around £5,000 p.a. and fringe benefits include a Bonus scheme, non contributory Life Assurance and Pension schemes and relocation expenses where necessary. A Company car will be provided on appointment to managerial status.

Please write in confidence with a brief C.V. to Ref. K570.

Walter Judd Ltd.,  
Recruitment Division,  
1a Bow Lane, London EC4M 9EJ

## Financial Analyst £6,000+p.a.

An unusual opportunity is available for a young Chartered Accountant to join an international trading company at its well-appointed London head office. Working with the European Financial Director the person appointed will be responsible for investigations and projects concerned with financing of business, cash flows, plans and possible developments requiring an understanding of financial resources. Mergers, acquisitions and international business expansion experience will be valuable. Energy, enthusiasm and ability to take the initiative will be imperative.

This is a profitable, ambitious organisation and the right person will find attractive scope and prospects in it.

Write in confidence with adequate information to J. Finnigan of Personnel Services Division:

**Spicer and Pelegier & Co  
Management Consultants  
6 New Street, Bishopsgate,  
London EC2M 4UH**

## FINANCIAL CONTROLLER

Age: 30-40 Up to £7,500  
London

Our client, a major firm of City stockbrokers, wish to appoint a Financial Controller.

- He will be responsible for the production of annual and periodic accounts for the company and the preparation of financial and management reports. He will also deal with taxation matters in conjunction with the company's professional advisers and contribute to the further development of the accounting systems which are computerised.
- He will be a Chartered Accountant with experience at a senior level in financial and management accounting in industry or commerce. An appreciation of Stock Exchange and City practices is desirable. Salary will be negotiable up to £7,500.

Please send a comprehensive career résumé, including salary history, and quoting ref. 785/FT to:

**W. L. Tait,  
Trotter Ross & Co.  
Management Consultants,  
Executive Selection Division,  
27 Chancery Lane, London WC2A 1NP.  
Tel: 01-836 9581.**

London W.1.

£5,500 plus

## EXECUTIVE ACCOUNTANT

Old established Property Investment Company with a sound portfolio of commercial properties seeks a qualified Accountant with good executive experience to take charge of its Accounting, Finance and Secretarial Department. In addition he will be required to make an active contribution to the direction and management of the Company.

The basic requirements are previous experience in a similar position (but not necessarily with a property company) and an ability to manage staff and accept responsibility.

This is a senior appointment and offers good prospects of advancement to the right man.

APPLICATIONS (which should be in the Applicant's own handwriting), giving details of age, experience and salary required will be treated in confidence and should be sent to:

**The Managing Director,  
Box A.5194.  
Financial Times, 10, Cannon Street, London EC4P 4BY.**

## GENERAL APPOINTMENTS

### CHEMICAL RESEARCH

We are a research-based firm of stockbrokers seeking a trainee analyst to join our specialist institutional research team. Our chemical research is carried out on an international basis. The person we are looking for will be a young (20-25 age group) graduate, but intelligence, a lively mind, personality and above all the ability to pick up quickly the workings of the industry and the companies in it are of more importance than academic qualifications. An aptitude for coping with the analysis of balance sheets will be highly desirable.

Salary will be subject to negotiation, but will not be unattractive.

Please write, telling me about yourself, to:

**Stuart Wamsley,  
Hedderwick Stirling Grumbar & Co.,  
1 Moorgate,  
London, E.C.2.**

## LEADING COMPANY OF FOREIGN EXCHANGE AND CURRENCY DEPOSIT BROKERS

requires Trainees in its dealing room. Age 18-24 years. Experience not necessary but lively personality and active mind essential. Application with full background details to:

**The Secretary,  
HARLOW, MEYER & CO.,  
Adelaide House, London Bridge, London, E.C.4.**

## GENERAL APPOINTMENTS

Managing Director  
(Designate)

Required by major subsidiary of a very progressive and successful public company. The subsidiary specialises in the sale and distribution of high quality sanitary fittings.

The successful applicant will ideally be aged between 35 and 45 an aggressive entrepreneur with a good sales record, some financial and considerable commercial experience. He must be capable of broadening the range of the company's operation.

The subsidiary has a turnover of approximately £1.5 million with a good profit record and is located in West London. There is tremendous scope for an ambitious applicant particularly in expanding the export potential.

Commencing remuneration will be by salary and profit sharing making a total package in the £10,000/£12,000 bracket. A company car pension rights and other fringe benefits will be provided.

Write in confidence with full details of experience to Box E.6336, Financial Times, 10, Cannon Street, EC4P 4BY.

## Indonesia

## Senior Project Analyst

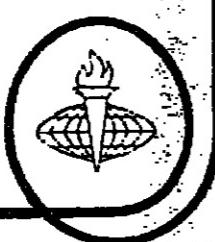
With the Indonesian Development Finance Company to advise and assist in preparation of appropriate operational and administrative manuals, in the recruitment of staff and development of in-training facilities and to provide training for staff; to advise and assist in the identification, formulation and preparation of viable developmental projects and help investors on these matters for the promotion and development of joint ventures and the Management of IDFC in all other appropriate phases of operations as necessary. Applicants, preferably over 30 years, must have relevant operational experience in addition to requisite academic and technical knowledge. Appointment 2-3 years.

Salary to be arranged according to qualifications and experience plus variable tax free overseas allowance in range £800-£1,200 per month.

Other benefits include free family passages, paid leave, children's education allowances and free accommodation and medical attention. All emoluments paid by the British Government. Applicants should normally be citizens of the United Kingdom.

For further information and an application form, please apply, giving age, and details of qualifications and experience to:

Appointments Officer  
Ministry of Overseas  
Development

MANUFACTURERS HANOVER  
LIMITED  
EUROBOND DEPARTMENT  
PRIMARY MARKET

We are looking for two people (aged up to 35 years) for our Eurobond Department to maintain and develop contacts with institutional and private clients in the placing of new issues in Europe, the Middle East and elsewhere.

Applicants should have experience in securities and customer contact. In addition fluency in a foreign language would be advantageous.

Remuneration, including excellent fringe benefits, will be competitive according to experience. Apply to:

Mr. J. L. W. Wagland,  
General Manager & Secretary,  
Manufacturers Hanover Limited,  
8 Princes Street,  
London, EC2P 2EN.  
Telephone: 01-600 4585

TECHNICAL MANAGER  
Saudi Arabia

Required in Saudi Arabia a qualified person to arrange and handle Diesel Engine Sales and Service. Applicants should have:

College Level Technical and/or Business education.

Five years' min. distributorship experience in Sales and/or Service Management for a major U.S. engine manufacturer.

Extensive travel required in Saudi Arabia and periodically overseas. Salary plus incentive and other benefits according to experience. Send application and bio-data P.O. BOX 102, DHARAHAN AIRPORT, SAUDI ARABIA

For attention of General Manager.

## CONTRACTS AND TENDERS

## Kingdom of Morocco

OFFICE FOR INDUSTRIAL DEVELOPMENT  
CIMENTERIE MAGHRIBINE (CIMA) INTERNATIONAL  
INVITATION TO TENDER  
PRESELECTION OF TENDERERS

The Société Cimenterie Maghrébine is constructing a new cement works near Oujda having an output of 1 million tonnes per year. In order to finance the project CIMA has applied for a loan from The International Bank for Reconstruction and Development.

A contract for earthworks and site preparation is under way. This notice of preselection is intended for contractors who are interested in tendering for a civil engineering contract for the second phase of the construction comprising the following works:

Fundations for buildings, mechanical plant and conveyors

Building structures, steelwork and concrete including cladding

Reinforced concrete and steel girders

Service trenches and tunnels

Substations

Oil storage compound

Road construction and surfacing

Auxiliary works including drainage and water supply.

The tender documents will be issued to selected contractors during October 1975 and work is expected to start in January 1976 and end in the summer 1977. The tender documents may be obtained for inspection and may be submitted for consideration for this contract should apply to CIMA giving details of their experience on similar works, together with technical, administrative and financial references.

Applications should be sent to CIMA and arrive at the following address not later than 20th September 1975.

Monsieur Le Directeur Général de la CIMENTERIE

MAGHRIBINE (CIMA) 2 Rue Chemin Edouard BP 1291

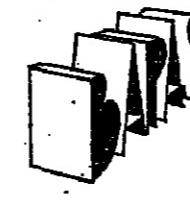
Telex: 31 677 RABAT (Morocco)

HAVE YOU  
MANAGEMENT SKILLS?  
If so, have you the ability to become  
a Management Consultant? If you  
believe that you have and are interested  
in a future as an independent  
Management Consultant, write to  
BAPAS for an application form.

BAPAS  
CONSULTANTS LIMITED

39 VICTORIA STREET,  
LOFTER HOUSE,  
WESTMINSTER,  
LONDON SW1H 9EE

Consultants specialising in advisory  
services for the smaller firms.



## WANTED

If you need a versatile and adaptable  
man to work with others—  
ability to get on with others—  
ability to work with local authority  
and executive—  
and solicitor  
used to tackling manifold problems of  
local government—  
large-scale redevelopment, who is  
now more than willing to offer his services  
to local government—  
interested in  
looking for fresh fields here or  
elsewhere—  
Box E.6336, Financial Times, 10, Cannon Street, EC4P 4BY.

Veering winds over the future of  
Wales' major airport

BY RHYS DAVID

THREE YEARS after the opening of the Duke of Edinburgh of a £5m. new extension to the only major airport in Wales at Rhoose, near Cardiff, civil aviation in the Principality has this summer found itself, for the first time, flying into strong headwinds. With traffic at all airports affected by the energy crisis and the world economic recession the passengers who would have helped to pay for the Rhoose scheme, involving the extension of the main runway and new terminal buildings, have not materialised.

After increasing 17-20 per cent throughout the 1960s, encouraging the local authority owners to go ahead with the development, passenger traffic on the chartered and scheduled service operated from the airport fell last year. Although a recovery has occurred in the first six months of this year, the airport is expected to lose local ratepayers with loss this year of £1.5m., roughly half of which will be accounted for by interest charges. Appeals to the Government for grant assistance have been made on a number of occasions over the last three years but with the need to keep public expenditure down and with other airports also losing money, what would appear to have been the final "no" was given recently by the Department of Trade.

## Arguments

In particular, it is felt that regional, industrial and tourist arguments should form an important part of any overall economic assessment. In the case of Rhoose, this belief has always been a strong factor behind the efforts of local authorities to develop the airport and in the strong support which these efforts have had from bodies such as the Development Corporation for Wales.

More problems have been created by the decision of British Airways, the main carrier at the airport through its Cardiff-based Cambrian division, to axe two routes—its Cardiff-Bristol-Liverpool-Glasgow link, and a new service started only at the end of last year linking Cardiff and Bristol with Brussels. There is also concern over proposals British Airways is now discussing with staff for rationalisation of its regional division to allow greater interchangeability of air staff and crew between the four operating units—Cambrian, North-East, Channel Islands and Scottish.

As if all this were not enough, a report prepared for the Civil Aviation Authority, as part of its overall study of U.K. airport strategy, has suggested that if airport development is to be concentrated at one centre for the whole of the South West of England and South Wales it should be at Bristol. Rhoose and Exeter offer the best "two air" solution.

The corporation has managed, however, to build up scheduled traffic on other routes in the U.K. and Europe. Services from Cardiff to Paris and Dublin were first established in the 1950s and last year Amsterdam was added to the list, making it possible for Welsh air travellers to connect with international flights at two major airports outside the U.K. Altogether a total of 12 destinations are served from Rhoose.

In the development of these services there has been a large measure of co-operation with Bristol which shares the dis-

advantage, in air terms, of being on a north-east flight from proximity to London. Most Leeds to Belfast could carry on flights from Cardiff also call at Cardiff, the Channel Isles or Bristol some 20 minutes away some other destination.

The shake-up could also mean that Cardiff will feature less prominently as an originating base for crew and cabin staff, but the most difficult decision B.A. will have to take is whether to centralise administration of the regional division outside London in one of the centres, and if so where.

With Cambrian the biggest unit in the regional network there will be very strong pressure from South Wales for location of any new administration headquarters but other regions are certain to press their claims.

There was considerable disappointment in South Wales at the suspension this summer of the Cardiff-Glasgow bus stop route. According to B.A. the load factor had fallen to only 45 per cent—10 per cent below break-even. But there are suspicions the axing of the route may have had something to do with the launching of the London-Glasgow shuttle, a charge that is denied by B.A.

## Service

The much smaller operator, Dan-Air, has managed to start a successful service to Amsterdam three times a week from Cardiff using small HS-148 aircraft carrying about 50 people. The company claims to have been flying some full loads on the route by business and repair work for offshore oil operations.

The result, in the absence of a fuller range of scheduled services from Rhoose, has been a rapid growth in the use of the airport by business and executive aircraft with movements up from 1,267 in 1973 to 3,143 in the first six months of 1974 to 1,895 in the same period this year. Evidence, according to Mr. Edward Moloney, the airport director, of growing demand from business in South Wales for the airport's services.

Whether this activity will be built on, will be decided by the Government when it comes to consider U.K. airport strategy as a whole. But decisions by British Airways arising from the review of its regional division could also be crucial for the future of civil aviation in Wales which have suddenly gained attention.

Local authorities and industrial development bodies in Wales are proposing a resumption of the Glasgow run at some point. Thus a number of issues which could be crucial for the future of civil aviation in Wales have suddenly gained attention. Local authorities and industrial development bodies in Wales are hoping that the various crews and aircraft between the services there has been a large measure of co-operation with Bristol which shares the dis-

## FESTIVAL OF SAIL

BY ALEC BEILBY

## A spectacular departure

THE DEPARTURE from the Pool of London of the 1,700-ton fully-rigged West German Barque Gorch Fock yesterday morning opened the most spectacular day in the week-long Clipper Regatta and the London Festival of Sail.

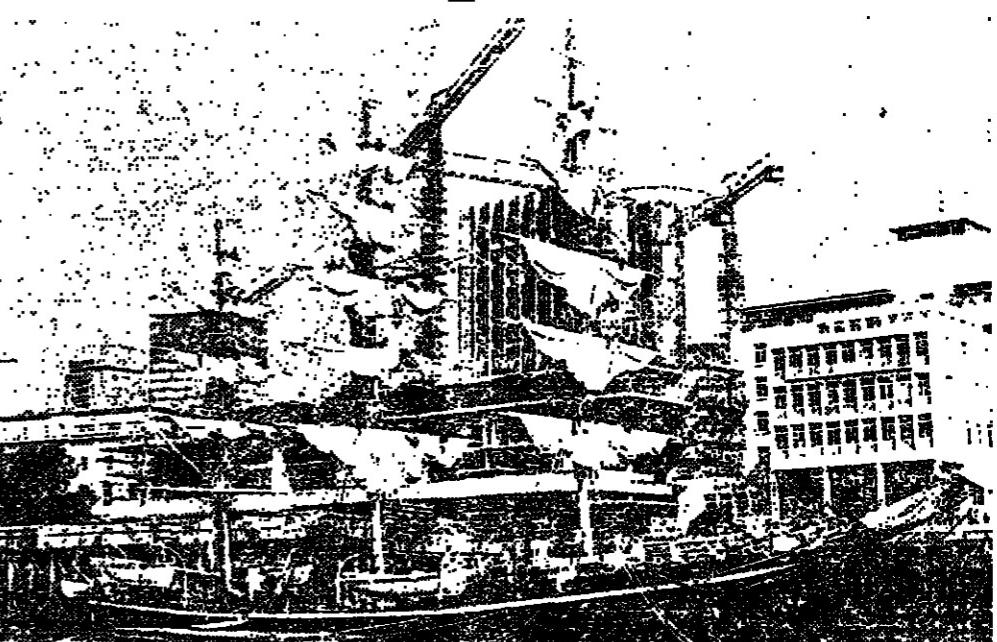
Built in 1958 to replace the training ship Pamir, lost at sea with all hands in 1957, the Gorch Fock is a modern sister ship to the older German-built training ships Sagres and Tovarisch that are still in London near Tower Bridge.

Because of the height of her masts she had to wait for the lowest point of the tide and, a little late because the easterly wind had slowed in the ebb tide, she passed through Tower Bridge with less than three feet of water under her keel and 21 inches between the top of her main mast and the fixed upper span of the bridge.

The vast crowds waved farewell. Shrieking sailors sounded and the Russian crew aboard the Gorch Fock, the eldest sister in the fleet, saluted in salute as they passed.

The 140 cadets aboard the German ship had, in turn, set sail and the dipping of flags and saluting was superseded by less formal cheering.

Downriver at Gravesend, 23 Thames barges, with their tall coloured sails and black buoys, were preparing for their race to Cherry Garden pier, two miles



Cadets in Denmark's Georg Stage demonstrating sail setting in the Pool of London yesterday.

which starts on Sunday from Sheerness.

They were entertained by Derek Harris, managing director of Melbourne Hurt, the cigar importers who have donated a new headstone, some financial help and cigars for the voyage.

He announced that his company is present to a special prize for the race, the Punch Coronation Trophy, to the first yacht in the Clipper race that passes the latitude of Havana, Cuba, on the return passage from Sydney to London.

Nearby, while the British Servicemen relaxed, an envious crew aboard the French entry Kriter continued their battle against the clock to complete work aboard the yacht before Sunday's departure.

Already helped by other competitors in the race they have now been offered more help, a rigger and a carpenter, by the PLA and it seems they will meet the crucial deadline even though life will be a little Spartan in the early part of the race.

The yacht's skipper, Olivier de Kersauson, a Breton viscount and right-hand man to Eric Tabary aboard the unlucky Pen Duick VI in the last race around the world said philosophically that lack of comfort below deck would encourage greater effort above.

To-day, the inter-ship tug of war is being held in the moat of the Tower of London and this evening the Royal Marines will take over the moat to beat the retreat. Later in the evening the girls of London will continue instructing the young Russian, American and Polish cadets in modern dancing methods at various discotheques parties arranged each evening during the week. The spirit of de tente is very much alive at the Festival

Earnings of 15.9p  
for G. H. Downing

A satisfactory result in a difficult year

From the statement of the Chairman, Mr. D. S. Hartley, for the year to 31st March 1975:

- A difficult year with prices of all raw materials, energy and wages increasing by leaps and bounds. A continuing reduction in demand for bricks and a private housing sector marking time at a very low level. Under these circumstances earnings of 15.9p per share compared with 20.5p per share last year considered a satisfactory result.
- Pre-tax profit £1,000,578 after depreciation of £365,374 after taking a revaluation of stocks into account.
- During the year £423,000 made available from own resources on capital account. £600,000 budgeted for capital expenditure in current year. Adequate banking facilities arranged.
- Dutch brick manufacturing company acquired in February. Board's policy is to reduce dependence upon the home construction market and to diversify into fields where the company's particular expertise can be properly utilised.

## G. H. DOWNING &amp; CO. LIMITED

Manufacturers of Clay Products, Refractories, Roadstone Aggregate, Electrical Engineering

BRAMPTON HILL, NEWCASTLE, STAFFS.

## LABOUR NEWS

# 'Survival plan' details given to NVT workers

By PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

**THE FIRST** batch of redundancy notices at the Small Heath factory, Birmingham, of the ailing motor-cycle concern, Norton V/T, will go out tomorrow although the 1,500 workers there learnt the details of the "survival plan" only yesterday.

Talks with full-time union officials and shop stewards have been going on against the background of a three-day week introduced three weeks ago, but this is the first time all the workers have been involved.

First with full-time officers, and later with shop stewards, the talks were adjourned until today.

While NVT has a number of options, redundancies are ex-

pected to reach at least 1,000, put on a brave face to-day, and one set of figures outlines at even more drastic cuts, down to Ears Court on Saturday. It

will show three current models, the Norton Commando; the Triumph Trident; and the 750cc Bonneville, made by the workers' co-operative at Meriden, which successfully resisted NVT's attempts to close the factory in September 1973. NVT is contracted to market Meriden's output.

NVT will present prototype models, an engine to power what it hopes will be its next generation of "super-bikes" an NVT-developed Wankel power unit, and two machines planned for assembly from imported components, a moped and a 125cc two-stroke.

The company says that it has new machines and components in the pipelines to keep dealers going for six months, by which time it hopes to have found a solution to its problems.

Transmission will be over 48 bureaux at Teesside, Sheffield, Corby and Port Talbot with pro-

grammes for the digital data, each data band forming one fifth

of the available 240 kHz bandwidth in the links between major locations. The other four fifths

will be used for telephone traffic and contracts worth \$100 million

have been placed by BSC for the

communications equipment.

Next year, the first Argus will be moved from the Leases office to the BSC bureau at Rotherham, where it will be integrated into the data network as the Network Operations Installation (NOI).

Operations will be carried out by BSC over the next six years.

Computer system expenditure is expected to be in excess of £50m.

FERRANTI, which earlier this year was awarded a contract to supply the 700S machine equipped with 128K words of core memory, fast 2MByte fixed head, disc, 20MByte cartridge discs and the necessary peripherals.

The communications network is part of a major computer scheme being implemented by BSC which is aimed at standardising the administrative and accounting systems of the corporation and extending the use of computers for production planning and control. There are to be four major computer

systems at Teesside, Sheffield, Corby and Port Talbot with pro-

grammes for the digital data, each data band forming one fifth

of the available 240 kHz bandwidth in the links between major locations. The other four fifths

will be used for telephone traffic and contracts worth \$100 million

have been placed by BSC for the

communications equipment.

Next year, the first Argus will be moved from the Leases office to the BSC bureau at Rotherham, where it will be integrated into the data network as the Network Operations Installation (NOI).

Operations will be carried out by BSC over the next six years.

Computer system expenditure is expected to be in excess of £50m.

Control is by PDP11 digital computer which incorporates a teletypewriter with tape read-out and puncher — enabling the operator to program the machine and converse with the computer. Computer language designated "Profil" developed by Charnillies for this application.

The cutting operation is performed by a continuously unreeled metallic wire electrode stretched between two guides. The electrodes cut the workpiece by spark erosion and the cutting profile is produced by relative displacement between

We pay for your steel until you need it  
GKN STEEL STOCK LTD

the electrode and the workpiece. Maximum workpiece size is 16 x 16 x 4 inches, and maximum weight is 550 lbs. Table compound travel is 10 x 10 inches.

Safer neat cutting fluid

DESCRIBED AS the safest neat cutting fluid on the market, Crown Novatec No. 1 has been developed by W. F. Smallman and Son, Great Bridge Street, West Bromwich B70 0DX.

Almost odourless and colourless, it is claimed to give substantially superior tool life, compared with conventional extreme pressure cutting oils.

The fluid has an aromatic content of less than 1 per cent, a quantity said to be too small to be registered, even on an infra-red spectrophotometer.

Clamping with toggle pliers

QUICK RELEASE toggle action pliers for light clamping in metalworking and fabrication operations have been introduced by F. Brauer, Grove Road, Harpenden, Herts. (05827 5258).

Called the Sermax range, clamping distance is adjusted by a threaded spindle and locknut. The spindle is copper-plated to resist weld splatter and the jaws are made from high-tensile, heat-treated forged steel.

Throat depth ranges from 37 to 150 mm and maximum jaw openings from 37 to 145 mm. There are six models in the range and the two largest models are fitted with two opposing spindles.

Other tools in the Brauer range include 170 and 250 mm long lock-on toggle wrenches, and two toggle pliers with parallel wide-opening jaws.

ELECTRONICS Weighs in seconds

AN ELECTRONIC balance from Sartorius Instruments, 18 Avenue Road, Belmont, Surrey (01-842 6881) involves the operator in no more than placing the item or materials to be weighed on a pan on top of the unit. The weight then appears on a six digit electronic display at the front of the balance.

Oscillation times are no more than 1.5 seconds and, if the weight of a container is not required in the reading a "tare" bar on the front under the display is depressed before loading the container.

The Sartorius 3700 balances require no skill to use and there are no adjustments of any kind. Four models are in production, all fast top loading instruments with weighing ranges from 200 gms to 16 kg and reproducibility from 0.005 to 0.5 gms. Standard models are equipped with both serial data and analogue outputs for feeding elsewhere.

## EUCALYPTUS PULP MILLS LIMITED

Extracts from the Statement by the Chairman, Mr. C. E. Blunt, O.B.E., circulated with the 1974 Accounts.

For 1974 record profits have been earned. While these primarily reflect the favourable trading conditions that were adopted during the year, they are also a reflection of the strenuous efforts of management to contain rising costs and of the first effects of the modernisation programme.

The past year has been a momentous one in the history of Portugal and the events that have taken place there are naturally having their effect on the Company. Wages and salaries have increased over the year by an average of 60% per employee and, in an effort to meet inflation which has been running at a high level in Portugal, further substantial increases have already been granted in the current year.

Legislation to nationalise the wood pulp industry in Portugal has recently been announced and it is a matter of great satisfaction to the Board that our operating subsidiary has been exempted on the grounds that it is British owned. It is hoped too that this exemption may be a reflection of the fact that we contribute substantially to the Portuguese economy by our continued export of 95% of our production which placed us twelfth in the last published list of exporting companies for the country as a whole.

Reference has been made in previous statements to shareholdings to our plans to recommend to shareholders the transfer of the residence of the Company to Portugal. It will be readily understood that in view of the changed conditions, these plans have been discontinued.

A further sum of £268,000 has been invested in forest land during the year. Our planted land at the end of the year amounted to some 6,200 hectares (say 15,000 acres).

The strong international market for wood pulp which had developed by the fourth quarter of 1973 continued during the first nine months of 1974 and demand was so strong that our entire output could have been sold twice over.

Pulp prices were raised for shipment during the first half of 1974 and again in mid-summer for shipment during July/December 1974. However, by the fourth quarter of the year the gathering worldwide recession was casting its shadow rapidly before it and, although pulp prices rose again in December for shipment during the first half of 1975, it is now clear that demand had begun to decline and has continued to do so particularly during the second quarter of 1975.

We believe that now at mid-1975 we have just about reached the bottom of the present trough in this industry's trade cycle, but we cannot expect any real improvement in demand until the market situation improves in the U.S.A. and it may well be the turn of the year before this comes about.

At the Annual General Meeting held yesterday the Chairman announced that a second interim dividend of 12.43% (in place of the final dividend) had that morning been declared, payable on 29th September, 1975. He referred to the large figure for Joint and several contract fulfilment guarantees which stood at some £3,200,000 at the year-end. The affairs of the combined wood-purchasing company to which these referred were still not finally resolved, but the Cainca Company had sustained a loss of some £700,000 and some further loss was to be expected. The amount of the guarantees had been reduced by over a million pounds since the year-end and now stood at some £2,700,000.

It was clear that the results for the first half were very good but the Chairman emphasized that they must look for lower profits in the second half.

Sir John Coville, CBE, C.V.O., has been co-opted to the Board.

## Pickets halt work on shipyard site

By Christian Tyler, Labour Staff

GEORGE WIMPEY, the building contractors, are picking up the pace away from a shipyard site yesterday to avoid a confrontation with a mass picket of about 600 other building workers.

The company will send its 90 men to work as usual to-day, while the main picket line is expected to be much smaller. The picketing is in support of men who were working on the site when their employer, Simonbuild-Peter Lind, was taken off the contract in January, and who wish to return to it.

The site, at Cammell Laird's Birkenhead shipyard, was the scene of clashes between workers and police last week, when the Wimpey workers crossed the picket line in coaches. About 200 men were arrested, and later granted bail on condition that they did not go within half a mile of the yard.

The picket of 600 gathered at the site entrance yesterday to support the men, variously estimated at between 30 and 80, who have tried to work on the site since Simonbuild-Peter Lind was taken off.

Police are expected to be at the gates again to-day when Wimpey tries to resume work. Wimpey has offered to take on 30 of the pickets in addition to its own 90 direct employees. The Union of Construction, Allied Trades and Technicians said its officials and stewards had agreed to this formula for settlement, but that members of the Transport and General Workers' Union were not satisfied.

**AUEW chief criticises 'destroyers'**

A CALL for unity of purpose among trade unionsists, to aid the country's recovery and eliminate "wasteful, degrading and anti-social" unemployment, comes to-day from Mr. John Boyd, general secretary of the amalgamated Union of Engineering Workers.

His editorial in the union's monthly journal appears to be contradictory to the union's policy of opposition to the Government's anti-inflation programme, as it urges AUEW members to make a contribution to the nation's recovery and to be "builders" and not "destroyers."

In addition, it describes union co-operation with the Government's anti-inflation moves as "paramount" if the manufacturing industries are to secure the necessary orders to combat unemployment.

## Women's pay rates move up

By OUR LABOUR STAFF

NINE OUT of ten employers brought their women's pay rates within ten per cent of men's rates by March this year, compared with only six out of ten a year before.

This is one sign of the considerable progress towards fulfilling statutory obligation on employers to pay women as much as men for comparable work by the end of the year, says an article in this month's Department of Employment Gazette.

However, many employers appear not to have grasped the full implications of the Act for their companies although they may believe they have already complied with it.

By December 29, few if any of the 151 collective agreements and wages orders monitored by the D.E. were likely still to contain discriminatory elements.

The report, "Producer Power—the Third World hits back," to be published on Monday, examines the chances of raw material exporters increasing their prices in the wake of the oil price rises imposed by the Organisation of Petroleum Exporting Countries.

It says: "It would be naive to suppose that the rich countries will be direct conflict between rich and poor countries."

The report poses the question of whether the conflict will remain in the area of economic warfare. Military action could certainly not be ruled out, although it seemed more likely to be conventional rather than nuclear.

There was a growing awareness of potential power among producers countries.

"The producer power gathers strength and wrecks concessions from the rich nations, it may save largely to the pockets of rich élites of the Third World." This would probably lead to an extension in guerrilla or terrorist activity.

In the final analysis it was probable that neither side would be able to reach equal pay between August 1, starting date of the policy, and the end of the year.

Separate legislation proposed in the Sex Discrimination Bill and covering many other aspects of "women's rights" is expected to be on the statute book by the same date.

Strike figures for last month certainly to the end of this century, which will witness a deal for developing countries,

## End Fleet Street overmanning, says print union chief

By OUR LABOUR STAFF

A CALL for urgent talks between Fleet Street employers and unions on overmanning is to come to-day from Mr. Joe Wade, assistant general secretary of the National Graphical Association.

Mr. Wade, who is expected to be a strong contender for leadership of the craft union when general secretary Mr. John Bondfield retires, probably next year, calls for discussions "before we are faced with an Observer situation somewhere else."

Mr. Wade—one of the few union leaders publicly to admit to overmanning—says in his union's monthly journal that there is not much time left if we are to avoid the closure of one or more national newspapers and the large scale redundancies that would follow," said Mr. Wade.

"Unless we are prepared to grasp this nettle, there is little or no chance of securing the financial assistance from the Government which will be necessary to end Fleet Street is to make the transition from Caxton to computer."

Agreement would have been easier and would have come earlier if there had been adequate consultation and negotiations with the unions at an earlier stage.

However, what was now important was that the 25 per cent reduction in staffing provided by the Observer management with a valuable breathing space.

"The ball is therefore very much in their court. Let's hope they know what to do with it and that the sacrifices made by union members will not have been in vain."

Production of some editions of the London Evening Standard was hit for the second consecutive day yesterday by industrial action by NGA members who were demanding better terms and conditions of employment before we are faced with an Observer situation somewhere else," asked Mr. Wade.

"There is no doubt in my mind that a rationalisation of

movements is needed to meet the demands of the unions," he said.

**British textile workers' lowest paid in EEC**

BY GUY HAWTHORN

BRITISH TEXTILE workers are the lowest paid in the European Economic Community, according to a report by the West German Textile Industry Trade Association.

Germany long ago reached the high wage levels of the U.S. textile workers and, now since the decline in the dollar's value against the D-mark, is well ahead of American levels.

The survey of hourly earnings rates shows Britain, West Germany and Holland at the head of the league. According to the Gesamtverband der Textilindustrie, Belgium pays the highest rates of DM13.12 (£1.42) an hour.

West German textile workers cost DM12.28 (£1.27) an hour, Netherlands workers, DM12 (£1.21), French workers, DM9

and Italian workers, DM8.52 (£0.86). The British only DM6.51 (£1.20).

Outside the EEC, Sweden pays textile workers higher wages. West Germany long ago reached the high wage levels of the U.S. textile workers and, now since the decline in the dollar's value against the D-mark, is well ahead of American levels.

The survey of hourly earnings rates shows Britain, West Germany and Holland at the head of the league. According to the Gesamtverband der Textilindustrie, Belgium pays the highest rates of DM13.12 (£1.42) an hour.

West German textile workers cost DM12.28 (£1.27) an hour, Netherlands workers, DM12 (£1.21), French workers, DM9

and Italian workers, DM8.52 (£0.86). The British only DM6.51 (£1.20).

Outside the EEC, Sweden pays textile workers higher wages. West Germany long ago reached the high wage levels of the U.S. textile workers and, now since the decline in the dollar's value against the D-mark, is well ahead of American levels.

The survey of hourly earnings rates shows Britain, West Germany and Holland at the head of the league. According to the Gesamtverband der Textilindustrie, Belgium pays the highest rates of DM13.12 (£1.42) an hour.

West German textile workers cost DM12.28 (£1.27) an hour, Netherlands workers, DM12 (£1.21), French workers, DM9

and Italian workers,

## The Marketing Scene

In the second edition of Spending Advertising Money, introduced below by ANTONY THORNCROFT, author Simon Broadbent swings away from science towards a more practical approach.

## Advertising in hard times

FIVE years ago Dr. Simon Broadbent, of agency Leo Burnett, wrote Spending Advertising Money, a simple but comprehensive Baedeker for the advertising industry. It was particularly intended for advertisers of every shape and size who often felt overwhelmed when discussing advertising with their agencies.

Next week a new and revised edition of what proved an efficient work appears and, fortunately, it has been revised in the light of the past 18 months of inflation, which have undermined the traditional precepts in advertising, as in much else. To one extent Broadbent has not attempted to keep up to date with rapid change. Readers are left to fill in the statistical tables at the back themselves, using the latest Advertising Association figures.

The first edition was written at a time when agencies were still fondly showing off the computer models which were going to revolutionise media buying, and hence advertising. The author was himself a keen scientific researcher; now he is much less sure. You hear very little about media models these days and Broadbent admits, "we under-estimated our ignorance of how advertising worked and our uncertainty about the effects of different factors. The ultimate generalisation has eluded us."

Research is still regarded as very useful—but "research can never take a decision." Five years ago the advertising industry was optimistic and hopeful. Now the agencies are falling over themselves to show off their "pragmatism," their ability to change in line with the fast changing requirements of advertisers (although there are few practical signs of such flexibility). Broadbent's book underlines this pragmatism, with plenty of check-lists and practical guides for advertisers into every department of the game. The book's attraction is its simplicity and its open-minded-

ness. Indeed the tendency to out what benefits have been present both sides of every argument derived from Spending Advertising Money, a simple but comprehensive Baedeker for the advertising industry. It was particularly intended for advertisers of every shape and size who often felt overwhelmed when discussing advertising with their agencies.

Spendings Advertising Money sometimes leaves the reader better informed but no more certain of what course of action to take. Some sectors are inevitably given superficial treatment but it does contain plenty as an elementary and practical of useful quotes and plenty of statistics. Broadbent The most recent estimate made

TOTAL ADVERTISING EXPENDITURE BY MEDIA

	1964	1971	1972	1973	1974	1964	1971	1972	1973	1974
	£ million									
National Newspapers	86	108	120	160	161	20.7	18.3	18.4	18.3	17.9
Regional Newspapers	98	152	188	256	273	23.6	25.7	24.5	29.3	30.3
Magazines & Periodicals	46	54	60	72	71	11.1	9.1	8.5	8.2	7.9
Trade & Technical	37	52	61	73	80	8.9	8.8	8.6	8.4	8.9
Directories	3	13	15	17	16	0.7	2.2	2.1	1.9	1.8
Press Production costs	1.8	3.9	4.4	4.6	4.8	4.3	6.6	6.2	5.3	5.3
<b>TOTAL PRESS</b>	<b>288</b>	<b>416</b>	<b>498</b>	<b>624</b>	<b>649</b>	<b>69.3</b>	<b>70.7</b>	<b>70.3</b>	<b>71.4</b>	<b>72.1</b>
Television	702	142	176	210	223	24.5	24.2	24.9	24.0	22.6
Poster & Transport	18	23	26	31	34	4.3	3.9	3.7	3.5	3.8
Cinema	6	6	7	7	8	1.4	1.0	1.0	0.8	0.9
Radio	2	1	1	2	6	0.5	0.2	0.1	0.2	0.7
<b>TOTAL</b>	<b>416</b>	<b>591</b>	<b>708</b>	<b>874</b>	<b>900</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

To help fill in the gaps at the back of Simon Broadbent's book here are the latest AA figures showing where the £900m spent on advertising in 1974 went.

Advertizing Money (a typically down-to-earth title) can scarcely be definitive. "The trade of postures a day, but with some advertising is now so near people confronted by up to 500,000,000 advertisements a day," says Broadbent.

There is a straightforward description of the various media, and of how agencies work—with the standard balance. For example, the section giving the case for continuous advertising that the physical sciences were followed by the case for concentrated bursts and the alchemists' four basic elements, secret potions and tizers. There are only manufacturers who decide to advertise, and to the advantage of using a second medium.

Finally Simon Broadbent reaches his pet area—research. He maintains that advertising should be made more accountable and that research can measure effectiveness more frequently than is supposed. It is one of the great criticisms of advertising that it consumed in 1974 £900m, but the results expected from advertising expenditure are seldom spelled out and in only a minority of instances is it likely to prove as useful a

## Ovaltine looks to its past

BY ANTONY THORNCROFT

WITH A pretty depressing present Wunder is digging deeper into the past because it seems to work in sales terms. Within six months of the change in pack sales had risen by 20 per cent, and market courting nostalgia for the past. In fact television commercials 43 per cent of the £5.5m, grocery share was 6 per cent higher at 7.9%.

Like that for Hovis. Now another outlet this is a £7.5m business. The great products of the inter-war years is returning to wavered a bit since then for its roots—Ovaltine,

This autumn's TV campaign present a cosy image to consumers this is one of the most competitive industries in the U.K., with Wunder and Beecham's Horlicks slogan away neck and neck, with about

two years now, just about the same in the early 1970s. Wunder

switched to agency TBWA. The new campaign, with the traditional Ovaltine girl and attempted to broaden its concentration on the old reliable, original radio shows with original music and Leontine, and a copy of the 1928 Ovaltine music

can be acquired for around 80p.

But there is little chance of getting the Club off the ground again. It once had a membership in the millions but post-war

initial advertising budget of success and in the process the plus radio spots in Scotland, recent years attention has been record, with extracts from the book on the past yet.

## The League of Ovaltineys



As well as the advertising attempt to revive it have failed, £300,000, which could increase company let Ovaltine slide. In there will be an Ovaltineys and we are not perhaps that for plus radio spots in Scotland, recent years attention has been record, with extracts from the book on the past yet.

## Brave New World for the Beehive

BY DOINA THOMAS

NEXT TUESDAY the 39 staff of Conran Associates are going on a works outing—the designers, department, research, studio, design director and messenger boy are going by train, boat and coach to Arnhem in the Netherlands.

They are going to see the new Bijnenkorf store which has been designed, from lamps through carpets to ash-trays, in totto by Conran Associates. This design group, intimately associated with the Habitat retail chain whose new catalogue is due next week, has been working with KBB, owners of de Bijnenkorf, or Beehive, and one of the Netherlands' largest retail chains since 1972.

That was when de Bijnenkorf, a fashion setting, innovative department store chain, decided that it might need a general revamp and set out on a pilgrimage round Europe's design houses to look for help.

The first project on which Conran Associates assisted was the transformation of a storage

department. The Arnhem project

was much larger, the complete

design and fitting of one of Holland's first self-service depart-

"The de Bijnenkorf stores have two problems," comments Chris Haines, managing director of Conran Associates, "the first is the extremely high cost of staff,

was designed or specified by us, which demands a tremendous self discipline on their part," comments Haines.

The trust behind such a com-

mitment had gradually been

built over the first Rotter-

dam project where Conran learnt

to work with KBB's buyers,

architect's department and sales

staff. The relationship between

design and selling in this in-

stance has grown very close,

perhaps claustrophobically close

for some people.

In the course of designing this

first self-service department store

the Conran designers worked

their way through every sales

department—"householdery was

the most difficult, it is the essential

service department, everything

measured to order."

It was found that a quick but unobtrusive signposting system was

necessary to make shoppers feel at

home so that they would find

their way about the store without

having to search for the much

designed staff.

A simple form of colour coding

was devised, yellow areas meant

cash desks, green meant trans-

port from one floor to another,

This is where the breadth of the

brief paid off: "Everything inside

was the "hostesses" who

replaced the sales girls. "If a

department was obviously visual,

such as hats, you didn't want

them to bring out, for example,

the sign language area."

The most striking example of this

simple form of communication

is probably that for the public telephones—just a large, bright red illustration of a phone on the wall behind it.

One of the more difficult areas

was the designing of the display

gondolas before the total store

concept had been worked out,

necessary because of the time

scale. Conran's devised a fairly

flexible, tiered system which was

demountable and modular, and

could be combined into many

shapes which would display both

for attraction and selling

Purposes.

The essence of the contract

is in preserving de Bijnenkorf's

relationship with its buying

public. The company had care-

fully researched the situation, in

the context of retailing condi-

tions in the Netherlands generally.

And it was up to

Conran to translate the solution

in visual terms: "quality and

innovation had to be expressed

in display terms as much as

goods," states Haines.

## THE SCOTS-IGNORE THEM AT YOUR PERIL!

The Scottish market is often undervalued by advertisers, partly due to a lack of really up-to-date information. But a new survey based entirely on Scotland, commissioned by the Daily Record and Sunday Mail, gives advertisers all the figures at their fingertips when it comes to income and expenditure patterns and popular newspapers.

For example, did you know that...

• Almost three-quarters (72%) of top household income groups in Scotland are in the C1, C2 and D classes.

• 53% of young women in Scotland spent more than £100 last year on clothes and footwear compared with 47% in England and Wales.

• A higher proportion of people in Scotland bought beer for home consumption than in England and Wales.

• The average net household income in Scotland differs very little from that in England and Wales.

• 36% of all motorists in Scotland obtained their vehicles new compared with 32% in England and Wales.

• The powerful and popular newspaper combination of the Daily Record and Sunday Mail reaches 65% of all Scottish households—and their readership accounts for over 70% of all Scottish spending on food and household stores, furniture, clothing, tobacco products and alcoholic drinks.

## What's in the survey for you?

It contains a wealth of information, relating actual expenditure to particular markets. This means you will be able to target advertising more accurately, rather than relying on somewhat inaccurate social class market definitions. The survey covers:

Household Income	Employment Status	Alcoholic Drinks	Daily Newsp
------------------	-------------------	------------------	-------------

**Head Office Editorial & Advertisement Offices:**  
**BRACKEN HOUSE, CANNON STREET, LONDON, EC4P 4BY.**  
 Telephone Day & Night: 01-248 8000. Telex: Financial, London  
 Telex: 886341/2, 883397

**FOR SPARE INDEX AND ADVERTISING RATES**  
 Birmingham: George House, George Street, B3 2AA  
 021-232 9412  
 Edinburgh: 8 Princes Street, Edinburgh, EH2 2AB  
 031-229 4128  
 Leeds: Victoria House, The Headrow, LS1 2LR  
 0113-236 9149  
 Manchester: Queen's House, Queen's Street, M1 5LA  
 061-226 5000  
 Paris: 36 Rue du Sentier, 75002 Paris (Editorial)  
 01-426 5000  
 236 5000 (News)  
 Bonn: Prinzessstrasse 11/16, D-5300 Bonn 1  
 0228-7000  
 Frankfurt: Franklinstrasse 11, D-6000 Frankfurt 1  
 069-557 7000 (Editorial)  
 554 0007 (News)  
 Brussels: 36 Rue des Marques, 1000 Brussels, Belgium  
 02-621 1200  
 Rome: Via della Conciliazione 12, 00197 Rome  
 06-573 1114

THURSDAY, AUGUST 28, 1975

## One hand on the lever

THE NATIONAL Institute of Economic and Social Research is rising and if the fall in real incomes were to be less sharp than it is at present expects. From the point of view of the external balance, though it agrees that the best course would be for countries in the strongest position to reflate demand more strongly, it suggests that if unemployment continues to rise for long the pressure for import controls will be so great that the Government would be better advised to anticipate than give way to it. "In a world in which levers are to hand to reduce unemployment," it declares, "the U.K. should make it clear that it cannot allow its unemployment level to be dictated indefinitely from outside."

### Cautious reflation

Although it argues that it would be necessary to begin the reflation of demand fairly soon in order to influence the level of unemployment next summer, when the unions will have to be wedged into acceptance of some form of incomes restraint which is more complex and therefore harder to enforce, it is in the end ready to put only one hand on the lever: cautious reflation, and small but frequent interventions in an expansionary direction, is its current prescription.

The first reason it gives for caution, which we wholeheartedly accept, is the margin of error surrounding its forecasts. The second, which all those who back (however grudgingly) the policy of voluntary wage restraint must accept, is that the new policy is as yet untried and that it is too early, after less than a month, to assume that it will be fully effective. The third reason is that a little reflation in good time will reduce the risk of an overdoes later on. This is valid in theory, but it leaves the questions: How much? and When? unanswered. Nor does the Institute have much to say about the fact that, if consumers are to be allowed more real spending power at a time when there is an urgent need to increase productive investment and improve the balance of payments, cuts in public expenditure will have to be more than a vague promise.

## Outside masters of Rhodesia

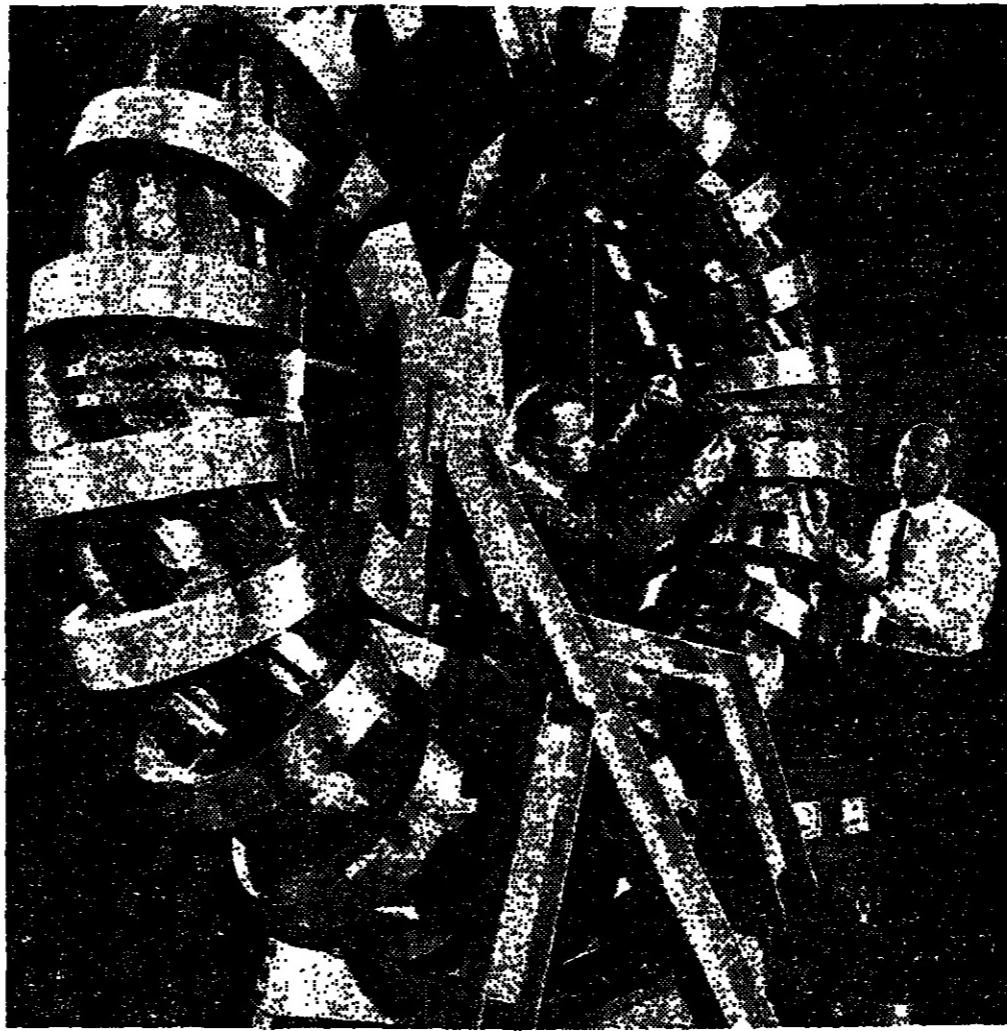
MR. VORSTER, the South African Prime Minister, and Mr. Smith, President Kaunda of Zambia, are at odds by now that want a negotiated Rhodesian settlement. Mr. Smith and the able pressure on white Rhodesia Rhodesian African National Council do not—at least not on any terms likely to be acceptable to the other. This is the main lesson to emerge from this week's unsatisfactory conference at the Victoria Falls. Mr. Vorster and President Kaunda brought their clients to the negotiating table, but they could not force them to negotiate. Yet it would be surprising if that were the end of it.

**Loophole,** It is true that both the South Africans and the Zambians have made mistakes, but they also learn from them. The Lukasa agreement at the end of last year, which was the first step towards Southern African détente, was so vague that there was scarcely an agreed version of what it said: indeed there seems never to have been an agreed written text. The Pretoria agreement, which brought about the Victoria Falls conference, was an improvement in that it was in more concrete terms, but it still had its shortcomings. There was, in particular, no assurance that the exiled ANC leaders would be allowed diplomatic immunity to return to Rhodesia and take part in the conference work at the committee stage. The Zambians, who signed the agreement, accepted this and thought they could find a way round it with the ANC. In the event, they failed and Mr. Smith was in no mood to help them off the hook. He simply took the opportunity of blaming the breakdown of the talks on procedural matters. The fundamental question of the transitional to majority rule has scarcely been broached. Mr.

Mr. Vorster could not bring Mr. Smith to heel overnight, could do worse than set their officials to work on some practical proposals and even consider in a settlement merely sides presenting them to their because Mr. Smith has found a temporary loophole. We have. That, after all, would be no Mr. Vorster's own word for it more than a logical extension that the alternative to a settle-

With the British Association for the Advancement of Science meeting to-day, David Fishlock speculates.

# Where advancement of science may repay its cost



The CLEO torus used in thermonuclear fusion experiments at the U.K. Atomic Energy Authority's Culham Laboratory, one of the potential sites for JET, the proposed Joint European Torus.

considerable sophistication.

—To contribute to science as a major and stimulating facet of contemporary culture, sometimes of very wide appeal, as illustrated by public interest in astronomy, in advances in medicine, or in safeguarding the ecological environment.

Professor Lovell last night was concerned primarily with the last two of these four basic reasons.

—To open new options for action and to maintain an authoritative standard of technical advice for more broadly based decisions affecting national security in the widest sense; that is economic and social as well as purely military security.

—To disclose areas, and to propose remedial action, where society's well-being might suffer if decisions were allowed to be dominated by sectional interests and/or purely economic criteria (say, in public transport or public health). Areas at risk range from product purity and quality to such (deceptively) simple matters as maintaining standards of measurement.

—To educate and train people in the way scientists and engineers think, as opposed to the more traditional intuitive processes. In many branches of science to-day this can be done only by providing facilities of

perhaps worth making a more inglorious attempt to decide fusion—if scientifically further whether fresh understanding away—might be a more efficient may open important new way of converting the sun's options in say the next 25 years. Could we perhaps do more to anticipate "breakthroughs" and prepare for both of photo-synthesis in the social changes they may bring case of crops and of photo-cells in their wake, by isolating those in the case of electricity. Most targets of contemporary research that promise (or threaten) to have the most profound impact?

Emphasising the word

profound eliminates those goals

—such as advanced nuclear fission reactors or electric motor cars—which, although still important research targets, will not decisively change anyone's life. At the same time one should rule out ideas, however alluring, where there appears to be no scientific basis for anticipating a "breakthrough" inside 25 years: low-energy anti-gravity systems for cheap flying, telepathic communications, or the discovery of extraterrestrial life of a high order, for example.

One scientific quest stands out head and shoulders for a society founded on cheap energy, and that is the search for controlled thermonuclear fusion. This may never be cheap, and may prove less free from radioactive hazard than some of its proponents claim. But if science can liberate fusion energy at a controlled rate, society will at least be assured of unrestricted energy supplies, and stable energy prices.

The physics of controlled

fusion have still to be demon-

strated. The physicists believe that this may prove possible during the next decade with the experiments now being planned, such as the EEC's Joint European Torus (JET), at a total cost for each experiment likely to be £50m-£100m or more.

These two documents can

claim a seminal influence on British Government policy for more than 25 years, which has been to back virtually any and every sector of science for

considerations—respectively, air 1930s, who drew upon a decade space congestion and diminishing of purely scientific exploration in fossil fuel resources—could by radio of the ionosphere in equally well have occasioned proposing an entirely original them at a later date.

These two documents can

claim a seminal influence on British Government policy for more than 25 years, which has been to back virtually any and every sector of science for

considerations—respectively, air

1930s, who drew upon a decade

space congestion and diminish-

ing of purely scientific explora-

tion in fossil fuel resources—could by radio of the ionosphere in equally well have occasioned proposing an entirely original them at a later date.

These two documents can

claim a seminal influence on British Government policy for more than 25 years, which has been to back virtually any and every sector of science for

considerations—respectively, air

1930s, who drew upon a decade

space congestion and diminish-

ing of purely scientific explora-

tion in fossil fuel resources—could by radio of the ionosphere in equally well have occasioned proposing an entirely original them at a later date.

These two documents can

claim a seminal influence on British Government policy for more than 25 years, which has been to back virtually any and every sector of science for

considerations—respectively, air

1930s, who drew upon a decade

space congestion and diminish-

ing of purely scientific explora-

tion in fossil fuel resources—could by radio of the ionosphere in equally well have occasioned proposing an entirely original them at a later date.

These two documents can

claim a seminal influence on British Government policy for more than 25 years, which has been to back virtually any and every sector of science for

considerations—respectively, air

1930s, who drew upon a decade

space congestion and diminish-

ing of purely scientific explora-

tion in fossil fuel resources—could by radio of the ionosphere in equally well have occasioned proposing an entirely original them at a later date.

These two documents can

claim a seminal influence on British Government policy for more than 25 years, which has been to back virtually any and every sector of science for

considerations—respectively, air

1930s, who drew upon a decade

space congestion and diminish-

ing of purely scientific explora-

tion in fossil fuel resources—could by radio of the ionosphere in equally well have occasioned proposing an entirely original them at a later date.

These two documents can

claim a seminal influence on British Government policy for more than 25 years, which has been to back virtually any and every sector of science for

considerations—respectively, air

1930s, who drew upon a decade

space congestion and diminish-

ing of purely scientific explora-

tion in fossil fuel resources—could by radio of the ionosphere in equally well have occasioned proposing an entirely original them at a later date.

These two documents can

claim a seminal influence on British Government policy for more than 25 years, which has been to back virtually any and every sector of science for

considerations—respectively, air

1930s, who drew upon a decade

space congestion and diminish-

ing of purely scientific explora-

tion in fossil fuel resources—could by radio of the ionosphere in equally well have occasioned proposing an entirely original them at a later date.

These two documents can

claim a seminal influence on British Government policy for more than 25 years, which has been to back virtually any and every sector of science for

considerations—respectively, air

1930s, who drew upon a decade

space congestion and diminish-

ing of purely scientific explora-

tion in fossil fuel resources—could by radio of the ionosphere in equally well have occasioned proposing an entirely original them at a later date.

These two documents can

claim a seminal influence on British Government policy for more than 25 years, which has been to back virtually any and every sector of science for

considerations—respectively, air

1930s, who drew upon a decade

space congestion and diminish-

ing of purely scientific explora-

tion in fossil fuel resources—could by radio of the ionosphere in equally well have occasioned proposing an entirely original them at a later date.

These two documents can

claim a seminal influence on British Government policy for more than 25 years, which has been to back virtually any and every sector of science for

considerations—respectively, air

1930s, who drew upon a decade

space congestion and diminish-

ing of purely scientific explora-

tion in fossil fuel resources—could by radio of the ionosphere in equally well have occasioned proposing an entirely original them at a later date.

These two documents can

claim a seminal influence on British Government policy for more than 25 years, which has been to back virtually any and every sector of science for

considerations—respectively, air

1930s, who drew upon a decade

space congestion and diminish-

ing of purely scientific explora-

tion in fossil fuel resources—could by radio of the ionosphere in equally well have occasioned proposing an entirely original them at a later date.

These two documents can

claim a seminal influence on British Government policy for more than 25 years, which has been to back virtually any and every sector of science for

considerations—respectively, air

1930s, who drew upon a decade

space congestion and diminish-

ing of purely scientific explora-

tion in fossil fuel resources—could by radio of the ionosphere in equally well have occasioned proposing an entirely original them at a later date.

These two documents can

claim a seminal influence on British Government policy for more than 25 years, which has been to back virtually any and every sector of science for

considerations—respectively, air

1930s, who drew upon a decade

space congestion and diminish-

ing of purely scientific explora-

tion in fossil fuel resources—could by radio of the ionosphere in equally well have occasioned proposing an entirely original them at a later date.

These two documents can

claim a seminal influence on British Government policy for more than 25 years, which has been to back virtually any and every sector of science for

considerations—respectively,

## ECONOMIC VIEWPOINT: COMMODITY AGREEMENTS

BY SAMUEL BRITTON

# The charity of the uncharitable

NOTHING COULD be less well-known than the "New International Economic Order" to national interest groups, of which both the benefits and which leading nations are paying lip service at an excessive number of conferences this week and next week and thereafter. It is neither new, nor economic, nor an order.

The assumption behind the ragbag of proposals—aspirations and slogans—is that the poverty of Third World countries is due to market forces, which should therefore be replaced or supplemented by international government action.

Anyone who inquires about the truth of this belief is soon told that he is unaware of international political realities. But, in any case, there is nothing new in governmental, or even international, regulation of trade. Controls on exports and imports have been imposed by rulers since time immemorial. The period of relatively free commercial relations has lasted less than 200 years; and nearly all the current ideas for commodity price agreements and government-to-government contracts formed part of the stock in trade of Dr. Schacht in his post-liberal period in the 1930s, and of Mr. Harold Wilson in his earlier incarnation at the Board of Trade.

The word "economic" is out of place because the whole idea is to replace market relations by political ones; and for this very reason the new system is more likely to become a disaster than an order. When the terms of trade appear like the weather, it is possible to sympathise and assist those who suffer; but the sufferers cannot blame other countries. When,

on the other hand, they are the doers, on "commodity agreements," or "equitable prices," outcome of a clash between national interest groups, we of which both the benefits and which leading nations are paying lip service at an excessive number of conferences this week and next week and thereafter. It is neither new, nor economic, nor an order.

The New International Economic Order is best understood if we look not at the arguments but at the interests of the main parties concerned. The oil-producing countries would like to acquire some moral legitimacy for their cartel and also some allies by associating their actions—which in themselves hit the poorest countries hardest, as shown in the IMF report—by placing themselves at the head of a Third World coalition against the West. The Third World countries are themselves mostly run by inefficient dictatorships (a point which it is regarded as bad form to mention), who would like to find Western governments on these subjects. Economic departments are conscious of the balance of payments costs (under less-than-free floating) and inflationary costs (under permissible monetary policies)

of higher import prices. For personal basis, the U.K. member of the recent Commonwealth meeting in Kingston.

There is, however, an interesting difference inside Western governments on these subjects. Economic departments are conscious of the balance of payments costs (under less-than-free floating) and inflationary costs (under permissible monetary policies)

the FCO which provided, on a

the whole thing in motion at the earlier Prime Ministers' meeting in Kingston.

The possibility that attempts to raise commodity prices will be costly and disruptive to consumers, while not increasing the income of primary producers, emerges strongly from a recent report by Hugh Corbett of the Trade Policy Research Centre. It is particularly unfortunate that so much of the running in report; but Mr. Wilson's

British policy is being made by largely responsible for setting

report asks us to recognise the relative prices at some arbitrary "positive features" (a well-known term in Soviet Communism) of producer associations. But to be successful a sensible variety, as such a rigid cartel would be multiplied if a network of commodity agreements were to be negotiated together, envisaged by UNCTAD.

agreements such as wheat, coffee and tin have been even partially successful for a limited period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

involved in maintaining indexation of the period. But the difficulties

# COMPANY NEWS + COMMENT

## Slough Estates still confident of advance

FIRST HALF taxable profits of Slough Estates have risen from an adjusted £1.84m. to £2.35m. and the directors remain confident that the result for the full year 1975 will be substantially higher than last year, when the pre-tax figure was £4.23m., reports chairman Mr. G. A. Hobbs.

This is in spite of a weakening in demand for factories and warehouses, both in the U.K. and overseas, as a result of the world economic situation, he says.

The interim dividend is 6.625p net per 25p share against 5.53p and the present intention is for a final (11.65p last year) increased to the maximum level now permitted.

A large proportion of the group's U.K. land bank was acquired at prices below currently depressed market levels but the directors have decided in present circumstances to charge interest on the land bank amounting to £200,000 (£135,000) against profits for the half-year. Comparative figures have been adjusted accordingly.

In May last, the group acquired Surtees Seeds which, although its seed business owns a building of 152,000 square feet and 43 acres of land at Reading with planning permission for warehouses. The existing premises have been leased to a first class tenant for 35 years with five year reviews.

As stated in the report for 1974, the company has issued £5.5m. 10 per cent convertible Unsecured Loan Stock 1987-90, and has borrowed £5m. for a 10-year period at 15.5 per cent from Finance Corporation for Industry.

INDEX TO COMPANY HIGHLIGHTS					
Company	Page	Col.	Company	Page	Col.
Associated Dairies	15	1	Johnson Matthey	14	4
Associated Tooling	14	2	Le Bas (Edward)	15	3
Bentima	14	8	Leveret	15	3
Blagden & Noakes	14	5	Monitor	15	6
Brammer (H.)	14	2	Newton (John M.)	15	7
Butterfield Harvey	15	7	Nu-Swift	14	4
Crest Secs.	14	7	Pearl Assurance	15	6
Duckham (Alexander)	15	3	Pifco	14	7
European Ferries	14	7	Slough Estates	14	1
Galaher	15	5	Stanley (A. G.)	15	2
Hallite Holdings	14	3	Union International	15	1
Henderson (J. & W.)	15	1	Unitech	15	8
Howard Machinery	14	1	Webb (Joseph)	15	7

salary—has an option on it on a further five acres for development later. Production is concentrated on the British market—Bighaler—the first machine on the U.K. market to produce a large bale of hay or straw—and two machines specially designed by Howard for the U.S. market. Howard's sales in the U.S. have doubled in the last 10 years.

## Associated Tooling optimistic

ALTHOUGH IT is impossible to predict with any accuracy, the current year profit of Associated Tooling is expected to continue to make satisfactory progress and the future is viewed with "cautious optimism," says the chairman, Mr. A. G. Pratt.

A strengthening in the liquidity position and a further substantial reduction in long-term loans and other commitments "should stand us in good stead in present conditions and enable us to take advantage of any improvement," he declares.

As known, group pre-tax profit increased from £220,512 to £260,102 in the year to February 28, 1973, and the dividend is 5.5p (1.75p net). Laser marking holds 27.8 per cent of the capital.

**Peak £0.66m. turned in by Hallite**

AN ADVANCE of 31 per cent to record levels in both sales and profits for the 53 weeks ended May 3, 1975, is reported by Hallite Holdings, makers of synthetic rubber and plastic precision seals.

Turnover was £4.27m. against £2.7m. for the previous year, and profit came to £638,032 against £316,688. Earnings are shown at 2.25p (1.75p) per 25p share, and the dividend is stepped up from 5.25p to 5.5p net, the final being 3.5p.

On the current year, chairman Mr. J. N. Hall says present indications are that sales and profits will not equal 1974-75; That gives some support for the shares at 50p where the yield is 8 per cent.

Mr. Hall adds: "We are still a risk-conscious 15 per cent."

IN THE face of increasingly adverse trading conditions, H. Brammer and Co. has shown expansion in the first half of 1975, with sales ahead £2.05m. to £10.09m. and profits up £80,000 to £1.22m.

First half Year  
1975 1974  
Sales £10.09m. £8.03m.  
Outside sales 12.29% 10.67%  
Trading profits 76 96  
Profit before tax 12.29% 2.25p  
Net profit 583 461  
Excess debts — 285  
Attributable — 285  
Dividends 85 461 719  
Percentage of profit to sales 12.9 13.1 14.3  
After depreciation £10.000 £8.000 and 6.71%

And trading continues at a satisfactory level, the directors report. The company makes V-link transmission belting and rubber products, and distributes bearings and motor components. It is successfully implementing its policy to maintain a greater emphasis in development into the industrial "services" sector where it fore-

**BASF Aktiengesellschaft Ludwigshafen am Rhein**

—Security Reference No. 515100—

Second notification of the sale of those shares which were not taken up following the increase in the Company's capital in 1974.

In our announcement in the Federal Journal No. 123 of 9th July, 1974, we called upon shareholders of our Company to take up shares to a total value of DM 77,057,550.—resulting from the conversion of reserves into nominal capital following the resolution taken at the Ordinary General Meeting on 2nd July, 1974.

In accordance with Art. 214 Para. 2 AktG, one year after the publication of this announcement we are obliged to give notification of the sale of those shares which have not been taken up, in a series of 3 notices appearing at intervals of not less than one month. The last notice must appear within 18 months of the original announcement.

We request shareholders in possession of the outstanding coupons (dividend coupon No. 29) to surrender these to one of the appointed agents listed in the announcement in the Federal Journal of 9th July, 1974, and thereby claim the bonus shares due to them.

Any shares resulting from the capital adjustment of 1974, which are not claimed at the latest by the end of one year after the publication of the third notice, will be offered for sale at the official stock exchange price through a broker, the proceeds being credited to the registered holder. The total of shares to be sold includes those bonus shares held by the main agent, representing fractions not allocated. If the registered shareholder is not known, the proceeds of the sale will be deposited with the District Court, Ludwigshafen am Rhein.

Ludwigshafen am Rhein, July 1975  
The Board of Directors

**BASF**

the group has adjusted to current conditions by cutting one night shift at its new East Kilbride factory. Working capital needs and fixed asset expenditure cut cash balances by only £50,000 to £88,000 last year and a yield of 13.6 per cent at 63p is covered an historic 21 times. Nevertheless, the current downward trend in profits is something of a constraint on the share price which stands a mere 14 per cent off its low for the year.

## Nu-Swift steady at halfway

PROFIT BEFORE tax of Nu-Swift Industries, which makes portable fire extinguishers, is little changed at £285,000 for the first half of 1975, compared with £280,000. The figure for the full year 1974 was £669,289.

The directors say that the cash position is now better based than at the beginning of the year. However, with below-capacity working, more general and unemployment rising, the business situation remains even more unpredictable.

While they have confidence in the ability to continue to trade profitably, they do not in the second half expect to earn profits at a higher level than those of the first.

The interim dividend is being held at 0.475p net. Last year's total was 1.185p.

Turnover for the half year increased from £2.43m. to £2.28m.

Unexecuted orders amounted to £451,894 (£1.3m.).

**• comment**

Nu-Swift has suffered both from the inability to pass on increased costs and the pressures of fierce competition in dwindling markets; a 29 per cent sales improvement over six months did not offset a drop in physical volume and there has been further deterioration in margins to the 8.7 per cent—roughly half the level achieved during 1974. The trading picture has remained bleak and the group is continuing to suffer from destocking on a global basis, with the result that plant is under-utilised.

A fair measure of the trading performance is the number of unexecuted orders at less than 50m. The figure is two-thirds down on a year ago and 40 per cent lower than the end-1974 total. The implication of the statement is a fairly static profits picture in the second six months, though the shares took heart from this and ended 19p up at 12p where the final was 8p.

On the current year, chairman Mr. J. N. Hall says present indications are that sales and profits will not equal 1974-75; That gives some support for the shares since January has fallen 2.4 per cent with the share price.

Nevertheless, the group's strong liquid position, together with the investment in new plant and equipment made over the past two years, should ensure that Hallite is well placed to survive lower activity levels and to take advantage of the eventual upturn in business.

IN THE first half of 1974-75 the value of orders in the main operating subsidiary continued at a high level, but the cumulative effect of falling demand levels, together with escalating overheads, has led to lower profit levels in the last 25 weeks. A feature, however, has been the growth of exports during the last 17.5m. compared with the same period last year.

Comparative figures for 1974 have been restated as a consequence of changes in accounting procedures since inception has been added to value of stock instead of deducted from reserves. Provision has also been made for deferred tax.

After a 51 per cent increase in Hallite's interim pre-tax profits, backed by a buoyant level of capacity working, the onset of destocking in precision seal components has left second-half profits only £20,000 better on weaker trading margins for a 32 per cent increase on the year. The trend in order book production rates is evident from Tuesday's report on the Weir Group's hydraulic seals division, and from the group's own balance sheet which shows declines of 3 per cent and a fifth respectively in debtors and creditors after a 30 per cent sales gain. However,

PRE-TAX profits of Johnson Matthey dropped from £1.4m. to £1.2m. and the attributable balance declined from £2.1m. to £1.4m. in the three months to June 30, 1975, compared with the same 1974 period. Taxable profits for the last full year totalled £17.64m.

Comparative figures for 1974 have been restated as a consequence of changes in accounting procedures since inception has been added to value of stock instead of deducted from reserves. Provision has also been made for deferred tax.

Three months  
1975 1974  
Sales £1.2m. £1.4m.  
Profit before tax 2.61% 2.25%  
Estimated tax 1.30% 2.20%  
Net profit 1.30% 2.25%  
Minority interest 14 29  
Net assets 107,497 102,941  
Fixed assets 31,718 27,735  
Investments 12,484 12,443  
Net current assets 51,292 51,218  
Gross assets excluding Johnson Matthey Banks 268,530 against 293.35m.

Precious metal stocks are valued at base prices plus attributable tax. If market prices had been used the amount on the balance sheet would have been higher by £17.26m. (14.15m.).

**• comment**

After a 51 per cent increase in Hallite's interim pre-tax profits, backed by a buoyant level of capacity working, the onset of destocking in precision seal components has left second-half profits only £20,000 better on weaker trading margins for a 32 per cent increase on the year. The trend in order book production rates is evident from Tuesday's report on the Weir Group's hydraulic seals division, and from the group's own balance sheet which shows declines of 3 per cent and a fifth respectively in debtors and creditors after a 30 per cent sales gain. However,

At the same time as reporting £82,000 cash to Baker Electric for the sale of Branks Hatch and three other motor racing circuits, it has fallen through Grovewood Securities, the property and investment holding company owned by Eagle Star Insurance, announces that it is to buy the 61 per cent of M. P. Harris, Bechill builders' merchants, it does not already own for about £2m.

Mr. John Danny, the chairman of Grovewood, says that on the talks with the "mystery bidder" for the circuits, that "there were a number of points on which we were unable to reach agreement. There were quite involved negotiations and it was amicably agreed to call it a day."

The company is offering 80p per Ordinary share of Harris, which has 26 branches and had a turnover last year of some £10m. with pre-tax profits of £24,000. Grovewood has pre-emption rights over 15 per cent of Harris' it in addition to the 30 per cent it already owns and Harris' directors have agreed to transfer his 15 per cent to Grovewood.

Harris' directors also intend to accept the offer in respect of a further 21 per cent which they own themselves. Mr. Danny said Harris was a well run company ideally suited to profit from the upturn in the construction industry which is bound to come

Mr. Rowland-Jones, who says that he has spent £8,000 of his own money on expenses relating to his opposition, maintains that if the company had been wound up the "A" shareholders would



Trevor Humphreys  
Mr. Derek Wilde, chairman of Keyser Ullmann, at the company's annual meeting in London yesterday.

The Financial Times Thursday August 28 1975

## ISSUE NEWS

## European Ferries growth—seeks £6m.

IN ITS interim statement European Ferries is forecasting a profit improvement from £4.2m. to around £6m. for 1975, and also announces the taking of £1.5m. by a 1-for-2 rights issue at par (25p) which is not being underwritten.

The profit increase arises partly because of the elimination of loss making activities and partly by considerably greater turnover. In the first half turnover jumped 14.72m. to £24.12m.

The issue will strengthen the company's base and improve the ratio of shareholders' funds to borrowings. The company already holds a pre-eminent position in its industry and the directors are satisfied that it is well equipped to consolidate and take advantage of opportunities for expansion.

During the next three years, the company is due to repay approximately £22m. in respect of loans, mostly in foreign currency, which have been incurred to finance the building of vessels.

The directors' main reason to believe that amounts will not be generated from cash flow as in the past, but difficulties of forecasting the duration and effect of the current economic recession indicate it would be prudent to raise additional finance now.

In the half year operating profit came to £2.65m., against £1.65m. (1.214p) in 1974. The interim dividend is stepped up from 5.5p to 6.75p. The directors intend a final of 1.214p (1.116p).

The weakness of sterling will further provision for exchange losses on loan repayments but, since ships are international commodities dealt with in terms of U.S. dollars, the sterling value of the fleet increases correspondingly. Consideration will be given to the use of one of the different methods of accounting to shareholders.

Statement Page 15  
See Lex

Davy International's rights issue of 2,421,322 shares has acceptances amounting to 91.1 per cent of the shares offered. Clayton Dewandre Holdings' issue of 2,379,500 shares has been taken up to 91.31 per cent while Royal Worcester's issue of 1,320,173 shares attracted acceptances of 84 per cent. In all cases the balance not taken up has been put into the market at a premium and will be distributed to entitled shareholders.

Land Securities' Interim Trust's rights issue of £21m. of 10 per cent convertible loan stock was taken up to 74 per cent. The balance has been sold at a premium and the net proceeds' amount to £10.372m. will be distributed to shareholders.

On December 1973, following a meeting of the full Panel on August 7, the Panel ruled that as a member of the consortium, Crest was required to vote all its shares against resolutions to be heard at the extraordinary meeting of Ashbourne on September 3. The Panel's August 7 statement said that Mr. L. L. Casper, chairman of Crest, had given undertakings to comply with these rulings. Last week, the Panel asked Crest to confirm the undertakings.

M. Brian Simmons, a Crest director, said yesterday that in its reply to the Panel Crest had said it could not confirm the undertakings since the Panel had not answered questions which Crest had put in letters over the past few weeks.

**London Guarantee in Singapore**

London Guarantee and Reinsurance, the principal reinsurance company of the Phoenix Assurance group, has opened a regional office in Singapore to cover the Far East and South-East Asia territories.

It is the first British reinsurance company to be licensed in Singapore.

**Record for Bentima**

A best-ever first half profit of £1.000, compared with £145,000, is announced by Bentima Industries. For all

The Financial Times Thursday August 28 1975

# Associated Dairies up £2.47m.—25% scrip

**PRE-TAX PROFITS** of Associated Dairies have expanded by £2.47m. to £3.80m. for the 62 weeks to May 3, 1975, compared with the previous year, after being ahead by £21.000 to £3.62m. at half-way. Turnover rose from £55.2m. to £51.3m.

Earnings per 25p share are shown to have advanced from 9.70p to 12.97p and the net dividend lifted from equal to 1.357p, adjusted for a one-for-four scrip, to 1.45247p with a final of 0.45247p.

And a further scrip issue in Ordinary shares, again on a one-for-four basis, is proposed for holders of Ordinary, Partly Paid and "A" Ordinary shares registered September 22.

Results are compared in the table. Profits are struck after charging heavier depreciation of £1.49m. (£0.94m.) after crediting a proportion of investment grants received.

£'000	£'000
Turnover	221,300
Profit	1,452,47
Dividend	1,357
Net profit	4,552,62
Extraord. credits	22,75
Prof. dividends	1,452,47
Ord. dividends	505,14
See Lex	472,023

better results for the current period.

The most serious trading setbacks occurred in Australia and New Zealand but poor results were also returned from the U.S. and Canada while together with a downturn in Europe and elsewhere, combined to produce the loss.

The ultimate holding company is the Western United Investment Company. The company produces foodstuffs and by-products from animal and vegetable sources.

Meeting: Winchester House, E.C. on September 17, at 12.15 p.m.

## BOARD MEETINGS

The following information is correct date of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available. Dividends are either interim or final and the sub-dividends shown below is based mainly on last year's timetable.

**TODAY**

Interiors—Associated Portland Cement	Sept. 19
Brilliantine Group, Ltd.	Sept. 19
British Steel	Sept. 19
Church & Co.	Sept. 19
Expanded Metal	Sept. 19
Fisons	Sept. 19
Globe & Caledonian	Sept. 19
Hockin, H. and J.	Sept. 19
Reckitt and Colman	Sept. 19
Revertev Chemicals	Sept. 19
Shaw, Saville & Vizard	Sept. 19
Baxter Field	Sept. 20
Churchill & Co.	Sept. 20
Expaned Metal	Sept. 20
Globe & Caledonian	Sept. 20
Hockin, H. and J.	Sept. 20
Reckitt and Colman	Sept. 20
Shaw, Saville & Vizard	Sept. 20
Stearns—Joseph	Sept. 20
Shell Transport and Trading	Sept. 21
Turner and Newall	Sept. 21
Woolmark	Sept. 21
Yates	Sept. 21

**FUTURE DATES**

Interiors—Associated Portland Cement	Sept. 19
Brilliantine Group, Ltd.	Sept. 19
British Steel	Sept. 19
Church & Co.	Sept. 19
Expanded Metal	Sept. 19
Fisons	Sept. 19
Globe & Caledonian	Sept. 19
Hockin, H. and J.	Sept. 19
Reckitt and Colman	Sept. 19
Revertev Chemicals	Sept. 19
Shaw, Saville & Vizard	Sept. 19
Stearns—Joseph	Sept. 19
Shell Transport and Trading	Sept. 21
Turner and Newall	Sept. 21
Woolmark	Sept. 21
Yates	Sept. 21

**REPORTING** preliminary profits for the first half of 1975 were 107,000 higher at £205,800. The first half of 1974 the chairman Edward Le Bas, Mr. A. R. Burrows, forecasts that profits for the whole of the year will show some increase over last year's £105,090.

He reports that the companies of the group orientated towards the export market have excellent order books, and those more dependent on the home market are currently obtaining a "reasonable" level of orders.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The payment, now announced, is 5 cents which makes a total of 12 cents (7.5p) for the year compared with 11.5 cents for 1973-1974. Moreover, CGFA points out that the latest dividend total is not covered by the company's receivable earnings (as opposed to those representing its attributable share in paper) of the CGFA group total which amounted to £105,090.

The chairman says that bookings made have been adversely affected by an inadequate return from the iron ore operations and losses from the Gunpowder copper and other projects which are in their early development phase.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The chairman says that bookings made have been adversely affected by an inadequate return from the iron ore operations and losses from the Gunpowder copper and other projects which are in their early development phase.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs and a temporary fall in demand for the group's products. CGFA shares lost 10p to 270p in London yesterday.

The reduction in the final dividend also takes into account difficulties experienced in the steel industry which include lower prices, escalating costs

# INTERNATIONAL COMPANY NEWS + EURO MARKETS

## IAC property write offs underline depression

By JAMES FORTH

HIGHLIGHTING the depressed downturn in the June half was during the half-year. Until then of the property market, the heavy write-offs and profit the U.S. bank held a 40 per cent. IAC (Holdings). Australia's signs. On a pre-tax basis earnings interest but was given permission second largest financier, wrote actually rose by 52 per cent, to increase its holding to just off or provided A\$1.8m. in the reflecting more favourable over 50 per cent.

Approval came after Citicorp six months to June 30, mostly interest rate differentials. Receivables actually dipped plunged in more than \$150m. Despite this, profit for the slightly from \$A78.5m. to \$A75.1m. in stand-bys or letters of credit period only dipped by 12 per cent. Interim dividend, is held at to assist IAC which had become second largest financier, wrote actually rose by 52 per cent, to increase its holding to just off or provided A\$1.8m. in the reflecting more favourable over 50 per cent.

The directors wrote off the 7.5 cents a share annual rate in by the latest amount of interest forgone the group has estate and commercial loans and IAC became a subsidiary of about \$A50m. tied up in non-added a further \$A4.6m. to the U.S. banking giant. First productive loans, based on a 10 provision for doubtful debts, National City Bank (Citicorp) per cent rate.

which now stands at \$A9.1m. for real estate and commercial loans.

On top of this, another \$A8.5m. in interest has been excluded on non-accrual basis because it is reasoned that the client cannot pay. In 1974 the company treated \$A3.9m. of interest as non-accrual. It has brought back \$A8.6m. of this to account in the latest half year, making a total of \$A7.9m. the group has forgive in interest over the past 18 months. As a legacy of the boom and the collapse in the property market the group is likely to suffer further such losses in the future, although the Board say that they are hopeful of recoveries for 1974. Company net profits have fallen from \$A7.7m. to \$A6.7m. due to important product groups. The major reason for the cut to \$A3.4m. (Fls.12.9m.)

Sharp Naarden setback

By MICHAEL VAN OS

AMSTERDAM, August 27.

NAARDEN International, the Naarden, which said results large Dutch flavours and had been also affected by the fragrance company, has adverse currency fluctuations, reported a sharp decline in profits and lower sales in the first half of this year. The company said that, compared with what it called the fragrance plant at Naarden, "not very successful," first half of Naarden. The company added, however, that the two most important product groups—flavours and fragrances—saw down 9.6 per cent to nearly their sales remain virtually unchanged. Operating profits were changed compared with the favourable first half of last year.

## KLM state aid approved

By MICHAEL VAN OS

PROPOSALS for substantial Dutch state aid for KLM, the loss-making Dutch national airline company, have completed their parliamentary run and will now be effected after the plans have been approved in The Hague by the first chamber.

The aid, which was proposed by the Dutch transport minister, is designed to strengthen the carrier's financial position. It consists of the state—already a majority shareholder—taking up Fls.200m. in Preference shares, of which half will be called immediately. The rest may be called at a later date, in the middle of an efficiency

programme. So far, the KLM workforce has been reduced by 300 personnel to be followed soon by another 500.

The proposal is also approved to raise the airline's "guarantees potential," which is currently Fls.200m., by the same amount.

The new arrangement means that the state's interest in KLM, which is currently 71 per cent,

will rise to 78 per cent, although it is pointed out that this shareholding need not necessarily be permanent.

Protection of the workforce at KLM, which is also an important contributor to the Dutch economy, was a major reason for granting the aid.

The Dutch airline is currently

in the middle of an efficiency

programme. So far, the KLM workforce has been reduced by 300 personnel to be followed soon by another 500.

However, there had been no actual lay-offs but that the internal staff moves had been sufficient.

The company recently reported a first quarter (April-June, 1975) loss of Fls.21.7m., which was down on the same period last year when the loss totalled Fls.32.8m. KLM, which hopes to be making only a small loss this year, concluded the last financial year with a total loss of Fls.65.4m.

The company recently reported a first quarter (April-June, 1975) loss of Fls.21.7m., which was down on the same period last year when the loss totalled Fls.32.8m. KLM, which hopes to be making only a small loss this year, concluded the last financial year with a total loss of Fls.65.4m.

The proposal is also approved to raise the airline's "guarantees potential," which is currently Fls.200m., by the same amount.

The new arrangement means that the state's interest in KLM, which is currently 71 per cent,

will rise to 78 per cent, although it is pointed out that this shareholding need not necessarily be permanent.

Protection of the workforce at KLM, which is also an important contributor to the Dutch economy, was a major reason for granting the aid.

The Dutch airline is currently

in the middle of an efficiency

programme. So far, the KLM workforce has been reduced by 300 personnel to be followed soon by another 500.

However, there had been no actual lay-offs but that the internal staff moves had been sufficient.

The company recently reported a first quarter (April-June, 1975) loss of Fls.21.7m., which was down on the same period last year when the loss totalled Fls.32.8m. KLM, which hopes to be making only a small loss this year, concluded the last financial year with a total loss of Fls.65.4m.

The company recently reported a first quarter (April-June, 1975) loss of Fls.21.7m., which was down on the same period last year when the loss totalled Fls.32.8m. KLM, which hopes to be making only a small loss this year, concluded the last financial year with a total loss of Fls.65.4m.

The proposal is also approved to raise the airline's "guarantees potential," which is currently Fls.200m., by the same amount.

The new arrangement means that the state's interest in KLM, which is currently 71 per cent,

will rise to 78 per cent, although it is pointed out that this shareholding need not necessarily be permanent.

Protection of the workforce at KLM, which is also an important contributor to the Dutch economy, was a major reason for granting the aid.

The Dutch airline is currently

in the middle of an efficiency

programme. So far, the KLM workforce has been reduced by 300 personnel to be followed soon by another 500.

However, there had been no actual lay-offs but that the internal staff moves had been sufficient.

The company recently reported a first quarter (April-June, 1975) loss of Fls.21.7m., which was down on the same period last year when the loss totalled Fls.32.8m. KLM, which hopes to be making only a small loss this year, concluded the last financial year with a total loss of Fls.65.4m.

The proposal is also approved to raise the airline's "guarantees potential," which is currently Fls.200m., by the same amount.

The new arrangement means that the state's interest in KLM, which is currently 71 per cent,

will rise to 78 per cent, although it is pointed out that this shareholding need not necessarily be permanent.

Protection of the workforce at KLM, which is also an important contributor to the Dutch economy, was a major reason for granting the aid.

The Dutch airline is currently

in the middle of an efficiency

programme. So far, the KLM workforce has been reduced by 300 personnel to be followed soon by another 500.

However, there had been no actual lay-offs but that the internal staff moves had been sufficient.

The company recently reported a first quarter (April-June, 1975) loss of Fls.21.7m., which was down on the same period last year when the loss totalled Fls.32.8m. KLM, which hopes to be making only a small loss this year, concluded the last financial year with a total loss of Fls.65.4m.

The proposal is also approved to raise the airline's "guarantees potential," which is currently Fls.200m., by the same amount.

The new arrangement means that the state's interest in KLM, which is currently 71 per cent,

will rise to 78 per cent, although it is pointed out that this shareholding need not necessarily be permanent.

Protection of the workforce at KLM, which is also an important contributor to the Dutch economy, was a major reason for granting the aid.

The Dutch airline is currently

in the middle of an efficiency

programme. So far, the KLM workforce has been reduced by 300 personnel to be followed soon by another 500.

However, there had been no actual lay-offs but that the internal staff moves had been sufficient.

The company recently reported a first quarter (April-June, 1975) loss of Fls.21.7m., which was down on the same period last year when the loss totalled Fls.32.8m. KLM, which hopes to be making only a small loss this year, concluded the last financial year with a total loss of Fls.65.4m.

The proposal is also approved to raise the airline's "guarantees potential," which is currently Fls.200m., by the same amount.

The new arrangement means that the state's interest in KLM, which is currently 71 per cent,

will rise to 78 per cent, although it is pointed out that this shareholding need not necessarily be permanent.

Protection of the workforce at KLM, which is also an important contributor to the Dutch economy, was a major reason for granting the aid.

The Dutch airline is currently

in the middle of an efficiency

programme. So far, the KLM workforce has been reduced by 300 personnel to be followed soon by another 500.

However, there had been no actual lay-offs but that the internal staff moves had been sufficient.

The company recently reported a first quarter (April-June, 1975) loss of Fls.21.7m., which was down on the same period last year when the loss totalled Fls.32.8m. KLM, which hopes to be making only a small loss this year, concluded the last financial year with a total loss of Fls.65.4m.

The proposal is also approved to raise the airline's "guarantees potential," which is currently Fls.200m., by the same amount.

The new arrangement means that the state's interest in KLM, which is currently 71 per cent,

will rise to 78 per cent, although it is pointed out that this shareholding need not necessarily be permanent.

Protection of the workforce at KLM, which is also an important contributor to the Dutch economy, was a major reason for granting the aid.

The Dutch airline is currently

in the middle of an efficiency

programme. So far, the KLM workforce has been reduced by 300 personnel to be followed soon by another 500.

However, there had been no actual lay-offs but that the internal staff moves had been sufficient.

The company recently reported a first quarter (April-June, 1975) loss of Fls.21.7m., which was down on the same period last year when the loss totalled Fls.32.8m. KLM, which hopes to be making only a small loss this year, concluded the last financial year with a total loss of Fls.65.4m.

The proposal is also approved to raise the airline's "guarantees potential," which is currently Fls.200m., by the same amount.

The new arrangement means that the state's interest in KLM, which is currently 71 per cent,

will rise to 78 per cent, although it is pointed out that this shareholding need not necessarily be permanent.

Protection of the workforce at KLM, which is also an important contributor to the Dutch economy, was a major reason for granting the aid.

The Dutch airline is currently

in the middle of an efficiency

programme. So far, the KLM workforce has been reduced by 300 personnel to be followed soon by another 500.

However, there had been no actual lay-offs but that the internal staff moves had been sufficient.

The company recently reported a first quarter (April-June, 1975) loss of Fls.21.7m., which was down on the same period last year when the loss totalled Fls.32.8m. KLM, which hopes to be making only a small loss this year, concluded the last financial year with a total loss of Fls.65.4m.

The proposal is also approved to raise the airline's "guarantees potential," which is currently Fls.200m., by the same amount.

The new arrangement means that the state's interest in KLM, which is currently 71 per cent,

will rise to 78 per cent, although it is pointed out that this shareholding need not necessarily be permanent.

Protection of the workforce at KLM, which is also an important contributor to the Dutch economy, was a major reason for granting the aid.

The Dutch airline is currently

in the middle of an efficiency

programme. So far, the KLM workforce has been reduced by 300 personnel to be followed soon by another 500.

However, there had been no actual lay-offs but that the internal staff moves had been sufficient.

The company recently reported a first quarter (April-June, 1975) loss of Fls.21.7m., which was down on the same period last year when the loss totalled Fls.32.8m. KLM, which hopes to be making only a small loss this year, concluded the last financial year with a total loss of Fls.65.4m.

The proposal is also approved to raise the airline's "guarantees potential," which is currently Fls.200m., by the same amount.

The new arrangement means that the state's interest in KLM, which is currently 71 per cent,

will rise to 78 per cent, although it is pointed out that this shareholding need not necessarily be permanent.

Protection of the workforce at KLM, which is also an important contributor to the Dutch economy, was a major reason for granting the aid.

The Dutch airline is currently

in the middle of an efficiency

programme. So far, the KLM workforce has been reduced by 300 personnel to be followed soon by another 500.

However, there had been no actual lay-offs but that the internal staff moves had been sufficient.

The company recently reported a first quarter (April-June, 1975) loss of Fls.21.7m., which was down on the same period last year when the loss totalled Fls.32.8m. KLM, which hopes to be making only a small loss this year, concluded the last financial year with a total loss of Fls.65.4m.

The proposal is also approved to raise the airline's "guarantees potential," which is currently Fls.200m., by the same amount.

The new arrangement means that the state's interest in KLM, which is currently 71 per cent,

will rise to 78 per cent, although it is pointed out that this shareholding need not necessarily be permanent.

Protection of the workforce at KLM, which is also an important contributor to the Dutch economy, was a major reason for granting the aid.

The Dutch airline is currently

in the middle of an efficiency

programme. So far, the KLM workforce has been reduced by 300 personnel to be followed soon by another 500.

However, there had been no actual lay-offs but that the internal staff moves had been sufficient.

The company recently reported a first quarter (April-June, 1975) loss of Fls.21.7m., which was down on the same period last year when the loss totalled Fls.32.8m. KLM, which hopes to be making only a small loss this year, concluded the last financial year with a total loss of Fls.65.4m.

The proposal is also approved to raise the airline's "guarantees potential," which is currently Fls.200m., by the same amount.

The new arrangement means that the state's interest in KLM, which is currently 71



## WALL STREET + OVERSEAS MARKETS

## Firmer trend on economic optimism

BY OUR WALL STREET CORRESPONDENT

A FIRMER TENDENCY returned to Wall Street to-day, reflecting some optimism resulting from a Commerce Department report of a 1.7 per cent rise in the U.S. Index of Leading Economic Indicators in July.

After opening another 3.99 down at 790.12, the Dow Jones Industrial Average rallied to 807.02 for a net rise of 9.91. The NYSE All Commodity Index regained 33 cents to \$44.94, after dipping 13 cents to \$44.59, while advances declined by a mere 70 issues. Trading volume decreased 24,000 shares to 11.11m.

Dr. Arthur Burns, Federal Reserve Board chairman, said that the FED would continue to take steps to reduce long-term interest rates by purchasing long-term Government securities.

But investors stayed wary about U.S. interest rates and spiraling inflation.

Also in the news, Israel and Egypt were reported close to an initial Sinai Peace Agreement. Banding, the most active issue, slid \$1 to \$30—a block of 240,000 shares traded at \$29.

Northeast gained \$1 to \$274 on a \$500m. contract to modernise Switzerland's Air Force.

Stover Broadcasting tacked on \$1 at \$151—it is negotiating for possible sale of its Boston-Garden and Boston Brains Unit.

Wheeling-Pittsburgh Steel fell \$1 to \$173—it omitted the Common dividend.

Interstate Brands picked up \$1 to \$14 on a dividend of 20 (5) cents per share.

Atlantic Richfield climbed \$1 to \$101, and Dow Chemical gained \$1 to \$871.

Steels were firm, but Motors were fractionally mixed.

The American SE Market Value Index rose 0.09 to \$4.00, although declines outnumbered advances by 260 to 247.

Syntex, the most active issue, moved up \$1 to \$31.

Imoco-Gateway advanced \$1 to 10 to 10—it plans to revert to a privately-owned company.

## OTHER MARKETS

## Canada mixed

Canadian Stock Markets were narrowly mixed in light trading yesterday.

The Industrial Share Index rose 0.64 to 183.87. Base Metals 0.35 to 78.06; Banks 2.69 to 273.54. But Golds gave way 3.24 to 348.11. Western Oils eased 0.32 to 184.33, and Utilities shed 0.30 to 127.77.

AMERICAN SE MARKET VALUE INDEX Starting base 100 Aug. 31, 1973.

Aug. 27 Aug. 26 Aug. 25 Aug. 24 Aug. 23 Aug. 22 Aug. 21

1975 High 100.00 99.80 99.50 99.20 99.00 98.80 98.50

Low 99.80 99.50 99.20 99.00 98.80 98.50 98.20

Change +0.20 +0.10 +0.10 +0.10 +0.10 +0.10 +0.10

Volume 1,760 1,115 1,280 1,500 1,810

Papers held unchanged at 110.07. Hamilton Trust and Savings Preferred "A" advanced \$2 to \$20. Harlequin Enterprises moved up \$1 to \$39—a 51 per cent holding is to be purchased by Toronto Star.

Morse rose \$1 to \$451. Western Broadcasting put on \$1 to \$34. BRUSSELS—All sectors lower, but trading remained very thin. Sofina, however, put on Frs. 10 to 31.60.

Sidro, GB-Inno-BM, Tessen-dorff, Coperta, Asturienne, Union Miniere, Solvay, and Cockerill each lost ground.

Rio Tinto Zinc rose in otherwise lower U.K. issues. Gold Mines and all other foreign stocks fell back.

AMSTERDAM—Market drifted lower virtually across the board, with Wall Street's overnight shipping Union Frs. 3.50.

Also dipped Frs. 1.9 to 3.2 in Dutch Internationals on concern notably over its European chemical fibre unit Glanzstoff.

Algemene Bank dropped Frs. 9 to 313 following the terms of its bid for Mees en Hoepe, down Frs. 2 to 187.

Philips shed Frs. 500, Royal Dutch Frs. 150 and Unilever Frs. 2.20.

In Insurances Nationale Nederland gave way Frs. 1.20 to 30.3. Swiss National Bank on Friday Most Transportations lost heavily. had no influence on markets.

Holland America Line Holding were down Frs. 1, KNSM Group Frs. 2.54, Van Ommen Frs. 4 and Shipping Union Frs. 3.50.

Dutch Industrials generally fell. Aloid Frs. 120, Bob Frs. 3.70 and Shipping Union Frs. 3.50.

State Bonds continued firmer.

Fairly active Dollar stocks turned lower, led by Burroughs, IBM, Monsanto and Xerox. Dutch Internationals eased and Germans also declined.

NEW YORK, August 27.

Swiss Credit Bank fell Frs. 40 to 2.30. Brown Boveri Bearer Frs. 35 to 2.30. Jeumont Frs. 25 to 1.80. Nestle Bearer Frs. 50 to 3.00 and Alusuisse Bearer Frs. 25 to 9.90. Landis Gyro tumbled Frs. 20 to 5.40.

State Bonds continued firmer. Fairly active Dollar stocks turned lower, led by Burroughs, IBM, Monsanto and Xerox. Dutch Internationals eased and Germans also declined.

Switzerland—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

Bonds broadly gained up to Frs. 120.

SWITZERLAND—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the

Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

Bonds broadly gained up to Frs. 120.

SWITZERLAND—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the

Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

Bonds broadly gained up to Frs. 120.

SWITZERLAND—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the

Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

Bonds broadly gained up to Frs. 120.

SWITZERLAND—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the

Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

Bonds broadly gained up to Frs. 120.

SWITZERLAND—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the

Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

Bonds broadly gained up to Frs. 120.

SWITZERLAND—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the

Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

Bonds broadly gained up to Frs. 120.

SWITZERLAND—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the

Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

Bonds broadly gained up to Frs. 120.

SWITZERLAND—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the

Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

Bonds broadly gained up to Frs. 120.

SWITZERLAND—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the

Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

Bonds broadly gained up to Frs. 120.

SWITZERLAND—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the

Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

Bonds broadly gained up to Frs. 120.

SWITZERLAND—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the

Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

Bonds broadly gained up to Frs. 120.

SWITZERLAND—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the

Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

Bonds broadly gained up to Frs. 120.

SWITZERLAND—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the

Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

Bonds broadly gained up to Frs. 120.

SWITZERLAND—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the

Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

Bonds broadly gained up to Frs. 120.

SWITZERLAND—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the

Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

Bonds broadly gained up to Frs. 120.

SWITZERLAND—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the

Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

Bonds broadly gained up to Frs. 120.

SWITZERLAND—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the

Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

Bonds broadly gained up to Frs. 120.

SWITZERLAND—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the

Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

Bonds broadly gained up to Frs. 120.

SWITZERLAND—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the

Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

Bonds broadly gained up to Frs. 120.

SWITZERLAND—All sectors declined in active trading.

Investors are pessimistic by news of short-time war bond closures of enterprises. The decline of the

Bank and Lombard rates by the

Bank of the few gamblers at Frs. 82, turned lower.

<div data-bbox="

## FARMING AND RAW MATERIALS

### Drought hits U.K. banana supplies

By Our Own Correspondent

BRIDGETOWN, August 27. BANANA GROWERS in the Windward Islands are worried that a prolonged drought which has only just broken could seriously reduce this year's production.

The St Lucia Banana Association estimates that only 24,000 tons will be exported to Britain this year—well below figure in five years. This compares with a record of 88,000 tons in 1969 and a growth in exports of about 26 per cent for 1974 over 1973—from 35,000 tons to 46,000.

St. Vincent, also hit by dry weather, exported only 9,645 tonnes in the first half of this year, compared with 10,735 in the corresponding period of 1974.

Grenada's production, though not as badly hit by the drought, has been affected by political trouble. Growers refused to cut their bananas for two weeks last month after the Government took over the Nutmeg Growers Association.

Mr. Patrick John, the Dominican Premier, has announced that his Government intends to end its almost total dependence on bananas and will start experimenting in the growing of citrus.

St. Lucia's Minister of Agriculture, Mr. J. R. d'Avouerne, has warned that unless production can be increased, the favoured position of Windward Islands bananas on the British market would be jeopardised.

"This position can only be maintained by producing the quantity and quality of fruit which would justify closing the doors against our competitors," Mr. d'Avouerne said.

### World tea production declines

By Our Own Correspondent

CALCUTTA, August 27. WORLD TEA output at the end of June this year showed a drop of 5.1m. kilos to 320m. kilos, according to figures compiled by the United Planters' Association of South India.

Sri Lanka was the only producer to record a sizeable increase, adding over 10m. kilos, to reach an output of 118m. kilos.

But the output of India and East African countries, which together recorded a decline of a little over 15m. kilos, fell in an overall deficit.

India showed a net deficit of 12m. kilos for the first half of the year, with production of 148.5m. kilos. North India's fall of 16m. kilos being partly offset by South India's 3m. kilos surplus.

Amalgamated Metal Group reported that in the morning, cash wirebars traded at a record level, while prices of a recovered market were presented to a record high.

**COMMODITY MARKET REPORTS AND PRICES**

#### BASE METALS

**COPPER**—Tended weaker on the London Metal Exchange. Prices were lower from the onset following the downturn in the U.S. economy. Heavy speculation selling forced a sharp drop in prices, leading to fresh interest and forward metal fell to £63 before short-covering and renewed speculative buying restored the slide. The price finally rallied in the wake of the close of the afternoon Kerb Turnover 16.73 tonnes.

Amalgamated Metal Group reported that in the morning, cash wirebars traded

### European crop estimate hits sugar prices

BY RICHARD MOONEY

WORLD SUGAR values fell sharply yesterday following the announcement of an unexpected high estimate of 1975-76 European sugar production by statistician F. O. Licht.

The December position on the London futures market slipped to £170 a ton at one stage before finishing at £172.25. This is £18 below Tuesday's closing level and means that the price has dropped by 20.75 in the past fortnight. Earlier the London daily raw sugar price was fixed £10 lower, at £180 a ton.

Licht puts total European beet production in the 1975-76 crop year at 27,752,000 tonnes, up from 24,324,000 in 1974-75, made up of 14,260,000 (12,183,000) for West Europe and 13,456,000 (12,171,000) for East Europe.

EBC production is estimated with the 10m. tonnes compared with French trader, Sucres et Denrees, in its crop report published at the end of last week.

Though some dealers thought the Sucres et Denrees figure a little on the low side, it is a good deal closer to market expectations than the Licht estimate.

Suspicion that the latest estimate could prove to be somewhat out of date led to the sale quoted for the U.K. (£63,000 tonnes) appears to be

based on the upper end of the British Sugar Corporation's prediction released two weeks ago. Many traders felt at the time that this was rather optimistic.

Test diggings since then have revealed a marginal improvement in root weights, but it must be remembered that the BSC estimate assumed "favourable" weather. Many growers would not agree that the modest amount of rain which has fallen in the meantime could justify this description.

Nevertheless, early indications of the contents of the Licht report sparked a flurry of selling on the London terminal market, where values had been buoyed up on Tuesday by

reports of further deterioration in many European beet crops.

The price decline, which was sustained by keen Commission House selling, touched off stop-loss orders and was backed up by charter activity.

The "bearish" trend was also encouraged by news that India has released a record 12m. tonnes of 1974-75 season sugar for export this year. Mr. P. Maruthai Pillai, president of the Indian Sugar Mills Association, said about 950,000 tonnes had been sold already for delivery between January and December last night.

No details of subjects to be discussed were given, but the meeting will obviously be concerned with potato supplies and increasing fears that a shortage might develop in the spring as a result of drought severely hitting the forthcoming main crop.

Also expected to be discussed is the possibility of relaxing import controls in the event of a shortage developing to try to prevent too large a price rise in this basic foodstuff.

There is no common EEC policy regulating potato supplies and prices, but Britain's entry into the Market should bring a lowering of the barriers that at present protect U.K. potato producers.

It is understood, for example, that there have been substantial imports of potatoes from Holland this month. The Ministry might well suggest that some relaxation of import controls will be needed, if present pessimistic forecasts of the forthcoming British main crop are justified. Lifting of the crop starts next week.

**New Amsterdam cocoa futures in dollars**

AMSTERDAM, Aug. 27. THE BOARD of the Amsterdam Cocoa Terminal Market said trading in a new contract would start next Tuesday.

It would differ from the old contract, liquidated last December, in that it would trade in U.S. dollars instead of guilders.

A Board spokesman said: "Trading months will be the same as in London: December, March, May, July and September, and hours of trading would also be the same—10.00 to 13.00 local time, and 14.30 to 17.00."

The list of tenderable cocaos would include virtually all qualities traded in the world market.

**METRICATION**

Metrication of the liveweight and deadweight meat trades other than retail sales has been delayed until December 31 next year. The Ministry of Agriculture confirmed yesterday.

**SUGAR**

LONDON DAILY PRICES: raw sugar, £1.00 per lb; 50c per lb; 25c per lb; 12.5c per lb; 6.25c per lb; 3.125c per lb; 1.5625c per lb.

Prices increased in line with the general trend but the day's lowest Turnover 7,175 tonnes.

**COFFEE**

Yesterdays' close: £ per lb Official: — Unofficial: —

Lead: £ per lb Official: — Unofficial: —

Cash: £ per lb Official: — Unofficial: —

3months: £ per lb Official: — Unofficial: —

6months: £ per lb Official: — Unofficial: —

12months: £ per lb Official: — Unofficial: —

Y.Y. spot: £ per lb Official: — Unofficial: —

Morning: £ per lb Official: — Unofficial: —

Afternoon: £ per lb Official: — Unofficial: —

Kerb: £ per lb Official: — Unofficial: —

Turnover: £ per lb Official: — Unofficial: —

**RUBBER**

Yesterdays' close: £ per lb Official: — Unofficial: —

No. 1: £ per lb Official: — Unofficial: —

SOYABEAN MEAL

Yesterdays' close: £ per lb Official: — Unofficial: —

COCOA

Yesterdays' close: £ per lb Official: — Unofficial: —

GRAS

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES

Yesterdays' close: £ per lb Official: — Unofficial: —

MEAT/VEGETABLES











# FINANCIAL TIMES

Thursday August 28 1975

The best place from which to reach any point on the circumference is the centre

Bradford  
is the centre  
of Britain

City of Bradford Metropolitan Council

## Counter-inflation 'talk-ins' planned

By Richard Evans,  
Lobby Correspondent

**THE NEXT phase** of the Government's massive publicity campaign to consolidate public opinion behind its counter-inflation policy will be a series of conferences in regional centres throughout the country.

The conferences, it was disclosed yesterday, will be addressed by Ministers, trade union leaders and businessmen and are expected to take place in November and December.

Mr. Gordon Hockin, who has been seconded from the Daily Mirror to take charge of the Counter-Inflation Publicity Unit, said yesterday that he hoped "both sides of industry will cooperate to explain the policy."

Talks are taking place with the TUC and CBI to get the conferences off the ground.

Last night Mr. William Whitelaw, Conservative deputy leader, criticised the Government's "Attack on Inflation" leaflet being distributed to households.

He called the pamphlet "misleading" and in one respect misleading" document. Pay restraints could not by itself amount to a counter-inflation policy. The Government had been and was still being prodigal in spending the taxpayers' money and public expenditure.

Our labour staff adds:

The CBI has already yesterday published its own comprehensive guide to the anti-inflation policy. It is being sent to all of its 12,000 members this weekend and can also be purchased from the CBI.

The booklet, "The New Anti-Inflation Policy—Practical Guidance for Employers," takes a look at the legal basis of the policy and also deals in depth with pay limits and intervals, and recent changes in the Price Code.

The guidelines—"passed" by the Department of Employment but without prejudice to Ministerial decision in specific problem cases—enlarge on some passages of the White Paper by quoting examples.

For instance, the document lists typical fringe benefit improvements that must be offset against the pay limit if they do more than keep pace with rising costs: meal subsidies, luncheon vouchers, mileage and clothing allowances and private health insurance.

It makes clear too that any reduction in employee contributions to an occupational pensions scheme as well as any increases in employer contributions must be offset.

Guaranteed week schemes are improvements that are allowable but merit payments, including those involved in grading schemes, are not.

Any formal and established incremental element would be allowed provided it met the general rule on increments, which is that they can be paid in addition to the £5 so long as there is no net addition to the wage bill.

One awkward point is that when second-stage payments of pay policy agreements are made (and these second stages are allowed in full provided the next principal settlement takes account of them) the amount by which they enhance actual earnings must also be taken into account.

## 'Secret deals' on Sinai will seal interim peace pact

BY ROBERT GRAHAM AND L. DANIEL

**WITH VIRTUALLY** all the issues solved in what will be U.S. manning of two or three of the surveillance stations (instead of publicly revealed—the original six demanded by Egypt-Israeli interim agreement. Dr. Henry Kissinger, the U.S. Secretary of State, is now concentrating on working out the details of the two "secret" understandings. These relate to tripartite Egyptian-Israel-U.S. understandings, plus a separate bilateral agreement between the U.S. supervisory presence at parallel Egyptian-manned stations, plus an unknown number of unmanned surveillance devices in the area. In addition, it is expected that the Americans will be asked to patrol roads leading to the Israel-Egyptian manned stations. A figure of around 120 Americans in all is being circulated here.

### Key issue

The bilateral agreement between the U.S. and Israel is still expected to take time to finalise—even given the present pace of negotiations. Apart from Egyptian undertakings made indirectly to Israel via the U.S. submitted to Congress is not yet clear on the economic and trade boycott and diplomatic warfare.

this will contain the key question of American financial and military aid.

Although the latter issue is being left until last, the Israelis are likely to bargain hard, especially for compensation for loss of the Abu Rudels oilfield and guarantees of future oil supplies.

Not mentioned here but presumed also to be a key element is the controversial question of an Israeli-U.S. security pact.

Despite these hurdles still to overcome, the feeling is that an agreement, including these secret undertakings (many of which have been leaked or are expected to be leaked by one of the two sides) will be ready for initialising by the weekend.

Dr. Kissinger, who arrived here late this evening, will probably remain until tomorrow evening.

Contrary to earlier expectations, the Israel Labour Party will support the proposed interim agreement with Egypt almost unanimously, thus enabling it of a comfortable margin in the Knesset. Although former Defence Minister Moshe Dayan is opposed to it in its

present form, the majority of the "Rafi section" will support it.

### Involvement

Defence Minister Shimon Peres, Mr. Dayan's former disciple, came out strongly in support of the agreement at an internal meeting of their Labour Party's central committee to-day at which he described the U.S. position as "one almost of actual involvement".

Only one member of the party's central committee and Knesset faction said he would vote against the proposed agreement, while three members of the party's Police Shlomo Hillel. The party's final position will be worked out on Sunday and the Knesset will be convened on Monday or Tuesday to confirm the agreement.

Reuter reports from Alexandria: The Egyptian Cabinet to-day approved the interim agreement which Egypt expects to be finalised in the next few days, probably on Friday.

## Angolan rivals in secret talks on common platform

BY JANE BERGEROL

LISBON, August 27.

**SECRET TALKS** between the Popular Movement for the Liberation of Angola (MPLA) and Dr. Jonas Savimbi's Unita-attempted at finding a common platform for five of Angola's parties—have come up with a formula for their co-operation to lead the country to peaceful independence—are going on in Lisbon this week under a strict security cover.

### New team

The Portuguese Government is also meeting both movements separately. But the essential understanding being sought—and one which would apparently exclude the third Angolan liberation movement, Holden Roberto's National Front for the Liberation of Angola (FNLA) from a role in the strife-torn colony.

Such that a bipartite solution is being mooted to-day is a reflection both of Portugal's strongly anti-FNLA bias and of the stark reality of FNLA-MPLA antagonism.

The absence of any FNLA representatives in Lisbon would not necessarily exclude the possibility subsequently, of Unita's meeting with the third liberation movement to try to incorporate it into a common front.

### Go-between

At the same time, the Lisbon Government has put together a new special Portuguese team on Angola directly responsible to President Costa Gomes. The team is headed by Admiral Leonel Cardoso, Naval Commander-in-Chief in Angola, who is likely to replace General Silva Cardoso, the pro-FNLA High Commissioner in Angola, now facing the sack.

The two movements have been meeting since Monday under the leadership of their representatives on Angola's second Presidential Council, Lopo Nascimento for MPLA and Joseph N'Dele for Unita.

At the same time, the Lisbon Government has put together a new special Portuguese team on Angola directly responsible to President Costa Gomes. The team is headed by Admiral Leonel Cardoso, Naval Commander-in-Chief in Angola, who is likely to replace General Silva Cardoso, the pro-FNLA High Commissioner in Angola, now facing the sack.

The secret talks, which were

## Cavenham sells Slimcea subsidiary to Spillers

BY DAVID BELL

**CAVENHAM**, the food group, has sold its Slimcea subsidiary to Spillers. The sale is in line with its policy, announced last week, of concentrating on "mainstream activities."

Slimcea, which is based near Slough and had sales last year of about £25m, manufactures a low-calorie bread mix which it sells on a franchise basis to bakers throughout the country.

Although the value of the deal has not been made public it is understood that Spillers has paid about £1m for Slimcea's net tangible assets and about £500,000 more for goodwill.

In its annual report last week Cavenham said that Slimcea had been "severely hit" by the rise in the price of wheat and by the sharp increase in the price differential between standard breads and

specialty products, like Slimcea, which had been subsidised less than ordinary loaves.

As a result, the company said, the total market for low-calorie bread fell by about 26 per cent last year; it is now estimated to be about £15m in current retail prices.

As well as Slimcea, Spillers has also bought Promea, another dietary bread mix, and Adcol, an adhesive paste by product of the process used to make Slimcea and Proceca bread mixes, as part of the deal.

Despite the depressed state of the low calories bread market Spillers' purchase of Slimcea is likely to intensify the competition between it and other brands like Nibble, a low-calorie bread baked by Rank Hovis MacDougall, one of Spillers' main competitors.

**Commonwealth to back economic plan**

BY PAUL LEWIS

**COMMONWEALTH** Finance Ministers were expected to give their qualified approval later to-day to a draft proposal for a new world economic order based on managed raw material markets, and intended to bring greater benefits to the developing nations.

Although Britain and the other industrial members have strong reservations about many of their plights on humanitarian grounds and worried that their growing financial difficulties may retard the expected upturn in world trade next year.

The proposals submitted to the meeting were only in the form of an interim report by the committee of experts set up to study reform of the world economic system by Commonwealth Heads of Government at their meeting in Jamaica last May.

But it is also clear that most of the specific suggestions which the so-called McNamee Committee has been able to come up with are far too radical for the industrialised white Commonwealth countries—at least in their present form.

Economic Viewpoint, Page 13

### Weather

**U.K. TO-DAY** DRY with sunny periods in much of England and Wales.

**London, E. and W. Midlands, Cent. N. England** Dry, sunny periods. Early mist or fog. Wind S., light. Max 27C (81F).

**E. Anglia, S.E. and Cent. S. England** Dry sunny periods. Early mist or fog. Wind S., light. Max 28C (82F).

**Dry, sunny periods. Early mist or fog. Wind S., light. Max 27C (81F).**

**S.W. England, S. Wales** Dry, sunny periods. Early mist or fog, persisting near coasts. Wind S., light. Max 28C (82F).

**Cloudy, occasional rain. Hill fog patches. Wind S.W., light. Max 22C (72F).**

**Outlook:** Dry at first in S. Cloud and occasional rain in N. Lighting-up: London 20.25, Manchester 20.41, Glasgow 20.55, Belfast 20.59.

### BUSINESS CENTRES

**Yesterdays** **mid-day** **mid-day**

Alexandria 5 29 84 London 5 28 77

Amsterdam 5 21 70 Luxembourg 5 25 75

Athens 5 38 75 Madrid 5 23 75

Bahrain 5 21 70 Mexico City 5 21 75

Barcelona 5 26 75 Monte Carlo 5 21 75

Bern 5 29 84 Milan 5 27 81

Bogotá 5 21 70 Moscow 5 28 81

Bordeaux 5 21 70 Munich 5 24 81

Brisbane 5 24 75 New York 5 29 82

Buenos Aires 5 21 70 Oslo 5 22 75

Cairo 5 13 75 Paris 5 24 75

Caracas 5 26 75 Prague 5 21 75

Cardiff 5 21 70 Rio de Janeiro 5 21 71

Copenhagen 5 21 70 Singapore 5 25 82

Dublin 5 22 72 Stockholm 5 25 75

Edinburgh 5 22 72 Sydney 5 28 82

Geneva 5 18 75 Tangier 5 22 75

Glasgow 5 11 70 Tel Aviv 5 22 82

Helsinki 5 16 70 Tokyo 5 27 81

Hong Kong 5 20 75 Vienna 5 21 75

Lisbon 5 27 81 Zurich 5 19 86

S-Sunny. C-Cloudy. R-Rain. F-Fair.

**HOLIDAY RESORTS** **Yesterdays** **mid-day** **mid-day**

Ajaccio 5 23 75 Jersey 5 21 70

Alexanders 5 23 75 Los Angeles 5 29 82

Biarritz 5 23 75 Los Cabos 5 29 82

Bordeaux 5 23 75 Majorca 5 25 75

Boulogne 5 23 75 Malaga 5 25 75

Cannes 5 23 75 Marbella 5 25 75

Casablanca 5 23 75 Palma 5 25 75

Catania 5 23 75 Santa Cruz 5 25 75

Cagliari 5 23 75 Santorini 5 25 75

Cannes 5 23 75 Saragossa 5 25 75

Costa Brava 5 23 75 Tangier 5 25 75

Da Nang 5 23 75 Tenerife 5 25 75

Funchal 5 23 75 Valencia 5 25 75

I. of Man 5 19 75 Venecia 5 25 75

Malaga 5 23 75 Vinales 5 25 75

Marbella 5 23 75 Vitoria 5 25 75

Mallorca 5 23 75 Zaragoza 5 25 75

Palma 5 23 75 Zarzuela 5 25 75

Rome 5 23 75 Zarzuela 5 25 75

Santander 5 23 75 Zarzuela 5 25 75

Santander